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Part I: Co-operation and Association

BRITISH INDIA.

THE PROGRESS OF CO-OPERATION IN INDIA IN 1913-14.

SOURCES:

- ANNUAL REPORTS ON THE WORKING OF CO-OPERATIVE SOCIETIES FOR THE YEAR 1913-14, IN :
BENGAL. Calcutta : The Bengal Secretariat Book Depot, 1914.
MADRAS PRESIDENCY. Madras : Government Press, 1914.
BOMBAY PRESIDENCY INCLUDING SIND. Bombay : Government Press, 1914.
BURMA. Rangoon : Office of the Superintendent Government Printing, 1914.
UNITED PROVINCES OF AGRA AND OUDH. Allahabad : Government Press, 1914.
ASSAM. Shillong : Assam Secretariat Printing Office, 1914.
COORG. Mercara : Coorg District Press, 1914.
STATEMENTS SHOWING PROGRESS OF THE CO-OPERATIVE MOVEMENT IN INDIA DURING THE
YEAR 1913-14.
PROGRESS OF CO-OPERATION IN INDIA IN 1913-14. *Madras Bulletin of Co-operation*. Decem-
ber, 1914. pp. 247-258. Triplicane, Madras.

§ I. GENERAL PROGRESS : ALL SOCIETIES.

The rapid increase in the number of societies, which has from the start characterised the co-operative movement in India, continued during the year ending June 30th, 1914. Agricultural Societies increased from 11,382 to 14,538; Non-Agricultural Societies, from 691 to 806; Central Societies from 251 to 329. The laws dealing with co-operation in India have been examined, and the official organisation which may be said to have created the whole co-operative movement has been described in previous articles in

this *Bulletin* (1), and we shall here merely recapitulate briefly a few important points.

The act under which the movement was started in India was the "Co-operative Credit Societies Act, 1904" which was repealed and replaced by the "Co-operative Societies Act, 1912." The earlier act, as its title implies, contemplated only the formation of societies for the provision of credit, but after a few years' experience it became clear that it would be necessary to provide for the recognition of other classes of co-operative societies, - for purchase and sale, production and sale, insurance, etc. The act omitted also to make provision for societies or unions formed with other societies as members. These and other minor considerations led to the passing of the act of 1912 at present in force. Under its provisions a society which has as its object "the promotion of the economic interests of its members in accordance with co-operative principles" may be registered as a co-operative society. In the case of a credit society the members (unless the Registrar shall otherwise direct) must reside in the same town or village or group of villages, or must be members of the same tribe, class, caste or occupation. Where the majority of the members of a credit society are agriculturists, liability, unless exemption be granted, must be unlimited, and where any member of a society is another registered society, liability (always with the same exception) must be limited. A registered society may not make loans to persons other than its own members, or, with the special or general sanction of the Registrar, to other registered societies.

The act of 1912, indeed, like the act which it replaced, is designed with a view to the requirements of credit societies; and the other branches of co-operation are, as a matter of fact, still quite undeveloped. Out of the present total of 15,673 societies, only 345 are non-credit societies.

The act of 1904 provided for the appointment in each province of an official Registrar for the carrying out of the provisions of the act itself, and for the general direction and supervision of the co-operative movement. The Registrar is attached usually to the Revenue Department of the Provincial Government and draws up an annual report addressed to the Chief Secretary of that Department. He has in most cases the services of an Assistant Registrar and has at his dependence a considerable staff of auditors, inspectors and clerks. Societies are founded and, in general, the extension of the movement is promoted by honorary organisers who are in close touch upon the one hand with the Registrar and his staff, and upon the other with the members of the societies in their respective districts, and are the persons upon whom, in a great measure, the good government of the local societies depends. Thus, though the Indian co-operative movement was at the start in the nature of a new branch of Government activity undertaken in the interests of the poorer classes of cultivators, and though it is

(1) See the numbers of the *Bulletin* for December 1912; March, 1913; May and October, 1914.

ectly and in a very real sense under official guidance and control, it is very far from being an artificially fostered movement. Government has fulfilled three functions: it has given prestige to the co-operative movement and been a guarantee of its genuineness; it has saved the movement from unsound and too rapid expansion; and it has furnished, in the form of repayable loans, a small part of the capital required by the societies. Of these three functions the last has probably been the least important. Government loans at the present time amount to only 1.4 per cent. of the total capital of the societies. Such a small amount might easily be obtained from some other source, but the security and prestige of the movement and the guarantee for its rigid control and able direction could come, in the early years at least, only from the British Government in India.

Although the Registrars have never failed to exercise a rigorous supervision over the registration of new societies, the increase in number has nevertheless been astonishingly rapid. The progress from the year ending June 30th, 1906, to that ending June 30th, 1914, is shown in the following Table:

TABLE I. — *Progress in Number of Societies, Membership and Working Capital.*

	1906	1907	1908	1909	1910	1911	1912	1913	1914
Number of Societies	—	843	1,357	2,008	3,498	5,432	8,127	12,324	15,073
Total Number of Members	28,629	90,844	140,160	184,889	230,698	314,101	404,318	571,536	744,226
Total Working Capital	₹ 32,000	₹ 158,000	₹ 294,500	₹ 538,000	₹ 827,000	₹ 1,358,000	₹ 2,238,000	₹ 3,502,000	₹ 5,144,000

The figures in Table I relate to all societies — Agricultural, Non-Agricultural and Central. In Table II below are shown certain particulars relating to the number of societies of all kinds, the composition of their total capital, and the nature of their disbursements in the year under review and in the previous financial year.

TABLE II. *Abstract: All Societies.*

	1912-1913	1913-1914
I. — NUMBER OF SOCIETIES.		
<i>Central</i>	251	324
<i>Non-Agricultural</i>	691	899
<i>Agricultural</i>	11,382	14,535
Total	12,324	15,758
II. — NUMBER OF MEMBERS.		
	573,536	744,226
III. — CAPITAL.		
	<i>Rupees</i>	<i>Rupees</i>
Loans from private persons	1,33,62,788	1,98,35,722
Loans from other Societies	1,93,61,345	2,86,28,145
Share capital	86,19,793	1,22,99,082
Deposits by members	93,54,645	1,18,58,857
State aid	11,27,547	11,46,926
Reserve	16,08,143	34,01,802
Total	5,34,34,261	7,71,70,584
IV. — DISBURSEMENTS.		
	<i>Rupees</i>	<i>Rupees</i>
Deposits repaid to members	97,16,232	1,11,00,495
Loans repaid to private persons	86,39,346	1,46,09,880
Loans repaid to other Societies	75,62,011	1,11,05,770
Loans issued to members	2,78,10,688	3,48,30,175
Loans issued to other Societies	1,59,16,285	1,92,64,780
Interest paid on loans and deposits	22,12,097	33,55,644
Dividend and bonus paid	2,23,373	2,97,688
Establishment and contingencies	4,49,177	6,84,780
Other items	28,05,650	50,14,351
Total	7,53,34,859	10,02,63,380

(1) A rupee is equal to 16 *annas*, or 1 *fr.* 68. The figures are divided so as to show the number lakhs, a lakh being 100,000 rupees.

In the table which follows we show how the figures in Table II are distributed by provinces :

TABLE III. — *Abstract : All Societies (by Provinces).*

Province	Number of Societies	Number of Members	Working Capital	Disbursements
			<i>Ruppes</i>	<i>Ruppes</i>
Bengal	1,338	1,00,769	122,16,280	1,05,03,319
Bihar	715	68,677	65,68,791	1,21,10,893
Gujarat	1,667	90,363	89,21,050	89,99,144
Madras and Orissa	819	50,789	22,87,940	30,17,382
United Provinces	2,800	1,18,005	1,13,02,617	1,66,08,136
Punjab	3,333	1,60,892	1,80,44,309	1,56,90,797
Rajasthan	1,350	36,051	64,87,008	92,35,620
Central Provinces	2,213	42,222	64,33,668	1,03,75,024
Assam	249	13,620	6,81,972	4,68,596
Sikkim	31	2,839	1,02,193	98,230
Nepal	357	11,162	14,85,835	21,33,685
Sri Lanka	530	40,479	20,55,084	43,37,191
Malaya	262	7,749	5,80,775	6,79,292
Total	15,673	7,44,226	7,71,70,584	10,02,03,309

The figures here given relate to co-operative societies in all the British provinces except the North-West Frontier Province and Baluchistan. In the former the movement has so far made but little progress, while in the latter the Co-operative Societies Act has not yet been applied. Figures are included also for the Native States of Mysore and Baroda.

We are concerned particularly with the fortunes of Agricultural Societies and Central Societies and we shall, therefore, examine somewhat fully the progress of these two classes of societies in the year under review.

§ 2. AGRICULTURAL SOCIETIES.

(a) General Progress.

Out of 14,538 Agricultural Societies in British India at the end of the financial year 1913-14, only 174 were other than credit societies. This small number, according to class of societies, was distributed thus : purchase and sale 12 ; production 4 ; production and sale 78 ; insurance

(a); other forms of co-operation 11. Again, with the exception of only a few societies, all the Agricultural Societies are based on the principle of unlimited liability. The small village or neighbourhood credit society, in substance the Raiffeisen rural bank, is therefore the characteristic society of the Indian co-operative movement.

It is worth noting that in spite of an extraordinarily rapid increase in the number of societies the typical society, if we may judge from the average figures, remains substantially unaltered from year to year. The averages for membership, working capital, loans outstanding and loans granted remain wonderfully constant, which would seem to indicate that the responsible for the direction of the movement have already decided what is the most conveniently workable and effective unit.

We may show in tabular form the more important figures relating to Agricultural Societies in the last two financial years.

TABLE IV. *Progress of Agricultural Societies.*

	1912-13	1913-14
Number of Societies	11,382	14
Membership:		
Aggregate	467,378	500
Average (per Society)	41	1
	<i>Ruppes</i>	<i>Ruppes</i>
Working Capital:		
Aggregate	2,90,18,634	4,03,62,77
Average (per Society)	2,549	2,77
Loans Outstanding:		
Aggregate	2,73,02,043	3,78,76,60
Average (per Society)	2,398	2,68
Loans Granted:		
Aggregate	2,26,66,825	2,70,44,48
Average (per Society)	1,991	1,88

(b) *Sources of Capital.*

It is a matter for legitimate congratulation that Government loans form but an insignificant proportion of the total capital of the Indian co-operative societies. In the table below it will be seen that the loans from Government

THE PROGRESS OF CO-OPERATION IN INDIA

fallen relatively from 9.1 per cent. of the working capital in 1910 to 2.8 per cent. in the last financial year. To carry these particulars back a little further, loans from Government, in 1909, formed 13.7 per cent. and, in 1908, no less than 19.5 per cent. of the total capital of the Agricultural Societies.

On the other hand the Registrars are by no means satisfied with the position to which the members' own deposits figure in the composition of the total capital. An extract on this connection from the report of the Registrar in Bengal might be applied to the situation throughout India generally. The Registrar says: "I confess, however, to a sense of disappointment that we have not been able to make a more rapid progress in attracting members' deposits. It is true we can hardly expect people to be over head and ears in debt to the money-lenders and who join Societies with the object of borrowing money to put in substantial amounts of deposits. But if the members have a proper conception of the meaning and utility of deposits they should show more inclination to make use of their banks as a convenient and profitable place for investing their savings than they have hitherto done."

The proportion in which each source of capital has contributed to the total over a number of years is shown in the following table.

TABLE V. — *Agricultural Societies: Sources of Capital (Percentages).*

Source	Percentage of Total Capital				
	1910	1911	1912	1913	1914
Loans and Deposits from Non-Members	16.5	13.7	10.8	11.2	9.2
Loans and Deposits from Other Societies	42.4	50.2	56.0	58.2	60.2
Loans from Government	9.1	5.5	4.4	3.5	2.3
Deposits of Members	14.9	14.2	12.4	10.3	9.0
Free Capital	14.1	13.3	12.8	13.2	13.2
Reserve Fund	3.0	3.1	3.6	3.7	6.1
Total	100	100	100	100	100

It will be seen that "Other Societies" (for the most part central Societies established *ad hoc*) furnished more than 60 per cent. of the total working capital. This at least shows that the Central Societies have been successful in achieving the object for which they were designed; but there is a general impression that the dependence of local societies upon other

societies, however successful the other societies may be, should not be marked. It will be seen, too, that this dependence has so far shown a constant tendency to increase, though it by no means follows that the increase will continue indefinitely. Such capital as exists in the villages is for the most part in the hands of money-lenders who at present are passively if not actively hostile to the co-operative societies. Gradually, however, the capital once furnished to the cultivators by the money-lender is being ousted from employment by the capital of the co-operative credit societies, and the private lender may find in time that the best investment remaining open to him is the placing of his money on deposit with the local co-operative society. It may be expected, too, that the members of a well-managed credit society will gradually free themselves of debt and find that they have at least a small surplus of income over expenditure, which they will be able to deposit with the society. Much of this surplus, may, it is true, be absorbed by a rising standard of living, and it must be remembered, in that case, that the improvement in the ryot's conditions is to be placed to the credit of co-operation and may reasonably be held to be more immediately desirable than any accumulation of savings deposits.

In the year under review there was a notable increase in the proportion between the reserve fund and the total capital. The present proportion of just over 6 per cent., however, must still be regarded as low. Moreover, it is still the general practice to employ the reserve fund as working capital, though the Registrars are putting pressure upon the societies to invest the reserves quite apart from their own operations. In some provinces—in Assam and Burma, for example—part of the reserve fund is invested outside the societies, being either invested in Government bonds or simply placed on deposit with a central bank.

(c) *Loan Operations.*

Loans are granted to members in some cases without any security other than that offered by the borrower's character and reputation, in other cases on the personal security of fellow members, and in others again on mortgage—though loans against mortgage of any kind are relatively few. The lending procedure, where the local societies are federated in Unions, is thus described by the Registrar in Burma:

“When an individual cultivator obtains a loan from a society it is granted by the committee of the society on the consideration of the value of his property as security and of his industry and character for honesty. A man is not debarred from borrowing because he has no valuable property. When a society requires a loan from the Central Bank for the use of its members it must obtain the consent of the Union of which it is a member. The consent of the Union (involving a guarantee by all the other societies comprising the Union) is granted on consideration of the total value of the property of the members of the borrowing society, of the character of the society, of its punctual repayment, good management, and co-operative efficiency. The

application whether for a loan or a cash credit, is finally submitted to the registrar for sanction, and is sanctioned in consideration of the character of the Union and its understanding of co-operative responsibility, and of the character and financial condition of the borrowing society as known to him by his own inspections and those of his staff."

Speaking generally the bulk of the loans are required for three main purposes — for cultivation expenses, for the purchase of plough cattle, and for the repayment of old debt. The proportions required for these purposes vary from district to district and from year to year, and loans are required also for various minor purposes such as the purchase of land, land improvement, house-building, trade and industry, payment of rent, maintenance, and marriage and social expenses.

The year under review was a year of drought with a scarcity of fodder in many parts of India, and in consequence an unusually large number of the loans were loans granted for the purchase of plough cattle to replace animals which had died or which had been sold during the slack season to save expense. The repayment of old debt absorbs a very large proportion of the loans each year, chiefly because many new societies are established in each year and the repayment of debt to private money-lenders is the first object for which the members seek the assistance of the society. In Madras, for example, the amount granted in loans for the repayment of debt was Rs. 11,56,712, while the amount granted for the purchase of cattle, the purpose which ranked second in importance, was Rs. 3,03,389. In Assam, repayment of prior debt accounted for Rs. 45,943, purchase of cattle for Rs. 32,919, expenses of cultivation for Rs. 22,353. Marriage and other social expenses account for a very small (and apparently diminishing) proportion of the total loans, and in some provinces it would seem as if no loans were granted to cover expenses for ceremonial occasions. In Bengal, for instance, the only purposes for which loans were granted during the year, in order of their importance, were payment of debts, maintenance, purchase of cattle, cultivation expenses, trade, and purchase of land.

Conditions as to the repayment of loans may be illustrated by quoting the regulations in force in Burma, which are as follows. Loans for subsistence, expenses of cultivation or seed are repayable in full at the next harvest; loans for cattle, house-building and debts of moderate amount are repayable either in two or in three annual instalments; loans for payment of debts of large amount and for the purchase or redemption of land are repayable in three or four annual instalments. All repayments of instalments are due after the principal harvests.

The rate of interest charged to members for loans varies from $9\frac{3}{4}\%$ per cent. in Bombay and Madras to as high as $18\frac{1}{4}\%$ per cent. in Assam. The most usual rates may be taken to be between $9\frac{3}{4}\%$ and $12\frac{1}{2}\%$ per cent. The rates offered from $6\frac{1}{4}\%$ to 9% per cent. on deposits, — rates which are not sufficiently high to prove attractive to the local capitalists, who generally prefer to employ their funds at a better rate on somewhat worse security.

The total amount of the loans granted by Agricultural Societies, in 1914, was Rs. 2,70,44,455, an average of Rs. 1,860 per society. As there

are, on an average, 41 members per society it will be seen that the single loans must be for relatively small amounts. The total amount of the loans outstanding on June 30th, 1914, was Rs. 3,78,76,603.

The total assets of all Agricultural Societies on that date showed an excess over total liabilities of Rs. 15,21,486.

§ 3. NON-CREDIT AGRICULTURAL SOCIETIES.

It has already been mentioned that a small number of Agricultural Societies - 174 in all - are other than credit societies. Out of this number, no less than 122 (63 purchase and sale societies and 59 cattle insurance societies) are in Burma.

(a) Cattle Insurance Societies.

In addition to the 59 societies of this class in Burma there are 6 Coorg and one in the United Provinces. The last-mentioned is described by the Registrar as an experimental institution under the control of the Budaun district bank. Two hundred and thirty-one members have joined the society but they are not entitled to any benefits until three years have passed from the date of their admission and the society has as yet no transactions to record.

The information available with regard to the societies in Burma and in Coorg is shown in the following table.

TABLE VI. - *Operations of Cattle Insurance Societies.*

Province	Class of risk insured	Amount of risk insured	Premium collected	Supplementary contributions collected	Losses incurred (animals)	Losses estimated	Claims paid	Cost of management
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Burma	Plough cattle	74,977	2,083	—	18	600	401	—
Coorg	Plough cattle	6,212	2,479	468	29	—	280	—
Total	—	81,189	4,562	468	47	600	681	—

In Burma it is proposed to form a central reinsurance society, and the year under review application was made to Government for an interest

on loan upon which the central society might draw to meet unexpectedly heavy demands upon it during the first few years of its existence. The Government reply had not been received when the annual report was prepared, and pending a decision the formation of new societies was checked during the year. In fact, between June 30th, 1913, and June 30th, 1914, only two cattle insurance societies were registered. In the previous twelve months the number of new societies registered was thirty-four.

The Registrar in Coorg reports that the year under review was very unfavourable for cattle as the mortality was exceptionally high owing to the long drought, so that it was considered advisable to suspend all operations from April to September, 1914. He is of opinion that it is far too early yet to form any conclusions as to the working of co-operative cattle insurance, but is inclined to think that the societies will prove a success.

(b) *Other Forms of Co-operation.*

Other forms of co-operation are represented in India but, speaking generally, the success of societies for purchase and sale, production, etc., has as yet been problematical.

In Bombay, for instance, there are seven societies formed to supply their members with pure seed either by selecting it from the local crops and sowing it or by purchasing it from outside, but "none of these" — according to the Registrar — "has yet proved conspicuously successful." There are several co-operative manure stores in the same province and two co-operative dairies have been formed to supply the Bombay market, though only one of the latter had begun working in 1914. This dairy began with share capital of Rs. 1,450 and purchased twelve buffaloes and a stock of dry utensils. It employs an experienced manager and three assistants. At the end of the year under review, the society was about to raise another Rs. 3,000 of capital, and it is proposed to open a retail shop in Bombay as soon as the operations of the society have extended sufficiently to justify such a step.

Two societies for the co-operative purchase of the usual agricultural implements are also working in Bombay and these, with the manure stores just referred to, seem to be fairly successful.

In the United Provinces, in addition to the cattle insurance society already mentioned, there are ten societies for production and sale, all engaged in the sale of milk, *ghi* (clarified butter) and other dairy products. Co-operative dairies are supplying their products to Benares, Allahabad, Lucknow and other towns, and though their expenses so far have been relatively heavy, they give promise of becoming very successful. Their chief recommendation is that they work in thoroughly sanitary buildings, take every possible precaution in handling the milk, and are able to guarantee that the subjects they sell are unadulterated.

In Burma, the 63 production and sale societies which were working in 1914 dealt with paddy (rice in the husk), groundnuts, and other products.

They seem to be fairly successful. The Supply and Transport Department purchased five hundred tons of paddy from seven societies and one firm; purchased 1,426,060 lbs. of groundnuts from a single large society of 727 members in the Pakókku District — the society having been formed for the purpose among the members of credit societies. The Registrar notes that the transaction was well managed by the society and proved satisfactory to both sides.

§ 4. CENTRAL SOCIETIES.

We have more than once had occasion to note, in previous articles, in this *Bulletin* how co-operative credit in India has developed upon somewhat different lines in the different provinces. The essentials for successful co-operation, which resolve themselves upon analysis into the possession of certain moral qualities and the practice of some of the elementary rules of business, are of course the same in India as in any other country and the same in one province of India as in any other province. But local conditions, and undoubtedly to some extent the predilections, and prejudices of individual Registrars, have determined very largely the structure of the co-operative credit system in each province. This is most clearly evident with regard to the way in which local societies are grouped in unions and with regard to the type of central bank and the number of such banks established in the different provinces.

Burma, for example, has 1,214 Agricultural Societies, and 96 societies classed as Central — 90 Unions and 6 Central Banks; the Punjab with 3,261 Agricultural Societies has but 38 societies classed as Central — 18 Central Banks and 20 Central Banking Unions; Madras with 1,200 Agricultural Societies has only 8 Central Banks and 8 Unions.

The three types of Central Society distinguished in the Registrar's reports are Central Banks, Central Banking Unions, and Unions. The first two are central credit institutes, while the "Unions" are designed for supervision and control, and their connection with the financing of local societies is limited as a rule to acting in an advisory capacity to Central Banks as credit Committees passing upon applications from their affiliated societies. In a Central Banking Union the idea of supervision and control of local societies is prominent, — more prominent than is the case, as a rule, in a Central Bank. Banking Unions are usually composed principally of member-societies with a small number only of individuals, while, ordinarily, in a Central Bank, the members are individuals.

The number and constitution of Central Societies by provinces is shown in the following table.

TABLE VII. — *Central Societies : (by Provinces).*

Province	Class of Societies			Type of Societies			No. of Societies	No. of Members	
	I. — Credit	III. — Production	VI. — Other forms of co-operation	Central Banks	Central Banking Unions	Unions		Individuals	Societies
Andhra Pradesh	16	—	—	8	—	8	16	941	232
Bihar	6	—	—	1	3	2	6	1,611	71
Bombay	40	—	—	3	30	7	40	3,450	1,279
Bihar and Orissa	12	—	—	—	12	—	12	564	578
Central Provinces	55	—	—	41	14	—	55	10,423	2,536
Madhya Pradesh	38	—	—	18	20	—	38	1,402	887
Madras	96	—	—	6	—	90	96	799	1,049
Central Provinces	29	8	1	29	—	9	38	4,321	1,807
Sum	9	—	—	2	4	3	9	328	93
Coastal	—	—	—	—	—	—	—	—	—
Coastal	5	—	—	—	5	—	5	495	280
Coastal	11	—	—	2	—	9	11	283	111
Coastal	3	—	—	1	1	1	3	75	101
Total	320	8	1	111	89	129	329	24,786	9,924

Out of 329 Central Societies only 9 (and these all in one province) are other than credit societies. These societies are described as "Agricultural Unions" and are all in the Central Provinces. They are occupied for the most part with the production of pure cotton seed or with the co-operative marketing of the cotton grown by their members.

The Unions of credit societies are associations formed for the mutual supervision and control of local societies and for mutual guarantee. In Madras, every agricultural credit society is required to join a Union as soon as two or more societies have been formed conveniently near to one another, with the result that there are 90 Unions in the province out of a total of 129 in the whole of British India. The General Meeting of a Union, at which at least two-thirds of the constituent societies must be represented, fixes the limit of the borrowing powers of each society. The Unions collect a small rate of from 3 *annas* to 12 *annas* per cent from each society, and this is their sole source of funds. Some of the Unions combine and employ paid inspectors, the number of such inspectors in Madras being 12.

Supervising and controlling Unions seem to be a somewhat unstable form of organisation. In some cases, where the delegates of the societies

are capable and energetic, the Union tends to become a Central Banking Union, financing local societies directly. Where the representatives of the societies are neither capable nor energetic the Union soon becomes a danger rather than a safeguard, and its most probable fate is compulsory dissolution at the instance of the Registrar. As a Union has only a very small income available it is not in a position to employ inspectors of a high order of ability, so that where there is a strong Central Bank there is a tendency to ignore the inspections carried out by the Union and to proceed to independent examinations of the affairs of local societies. It cannot yet be said that the precise form or the precise functions of these so-called supervising Unions have been determined. Experiments are still being made in most of the provinces, and it may be anticipated that for some time to come the supervising Union will be the variable factor in the Indian co-operative system.

In Table VIII below we give the leading figures relating to the transactions of Central Societies during the year under review, and to their financial situation on June 30th, 1914. The figures are taken from "Statement IV" of the official returns, a statement which is prepared each year for the information of the International Institute of Agriculture. We give at the same time the corresponding figures for the previous financial year, ending June 30th, 1913.

TABLE VIII. — *Financial Situation of Central Societies.*

	1912-13	1913-14
	<i>Rupees</i>	<i>Rupees</i>
Loans made to:		
Individuals } on personal security	6,65,542	7,16,341
} on mortgage security	1,02,893	1,20,651
Societies } local	1,27,32,161	1,53,13,834
} central	17,63,273	24,89,468
Sale of goods to members	843	16,901
Purchase of members' products	424	8,010
Cost of management	1,62,743	2,81,031
Most usual dividend paid on shares	6 to 9 per cent	6 to 9 per cent
Most usual rate of interest } on deposits	6 per cent	6 per cent
} on loans	9 per cent	7 to 9 per cent
Loans due } by individuals	8,72,542	16,62,869
} by societies	1,73,47,840	2,52,21,339
Share capital	28,02,996	38,50,248
Members' deposits	48,29,182	66,77,336
Loans from Government	57,865	1,02,376
Reserve fund	3,14,688	5,60,790

The total working capital of the Central Societies was Rs. 2,90,37,180 which gives an average per society of Rs. 88,258 as against Rs. 77,750 in the previous year. The total amount of the loans granted during the year (see Table VIII) was Rs. 1,52,63,869, an average of Rs. 46,394 per society, which is appreciably lower than the previous year's average of Rs. 60,812. Lastly, the total loans outstanding on June 30th, 1914, amounted to Rs. 1,82,20,387, an average per society of Rs. 55,381 as against Rs. 72,631 on June 30th, 1913.

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In this article we have not dealt with the Non-Agricultural Societies — those classed under the earlier Act as "Urban" Societies — except in so far as the figures relating to these societies are included in the tables in § 1.

The work of the Non-Agricultural Societies will be made the subject of a short article in an early number of the *Bulletin*.

ITALY.

I. THE ROMAN "AGRICULTURAL WEEK".

SOURCES :

SOCIETÀ DEGLI AGRICOLTORI ITALIANI : RELAZIONE DEL PRESIDENTE PER L'ANNO 1914, letta dal vice-presidente on. sen. G. Frascara all'Assenblea dei soci il 24 marzo 1915. (*Italian Farmers' Society : President's Report for 1914, read by the Vice President, Hon. Senator G. Frascara at the Members' General Meeting of March 24th., 1915*). *Bollettino della Società degli Agricoltori Italiani*, Rome, no. 6, March 31st., 1915.

BOLLETTINO DELLA SOCIETÀ DEGLI AGRICOLTORI ITALIANI (*Bulletin of the Italian Farmers' Society*), Rome, nos. 7-9. April 15th.-May 15th., 1915.

The *Società degli Agricoltori Italiani* is in the habit of holding every year at Rome a series of meetings of farmers for the purpose of considering the most urgent problems of agricultural technique and economics and passing resolutions and issuing recommendations. This year, the meetings were held from the 24th. to the 30th. of March and, as usual, began with the general meeting of members of the society, at which the vice president, Senator Frascara, read a report on the work done in 1914. As we desire to inform our readers in regard to the most important subjects dealt with, we think it advisable first to give a glance at the work of the association in the year.

§ I. WORK OF THE ITALIAN FARMERS' SOCIETY IN 1914.

The report of the Society for the year 1914 shows first the really encouraging increase in the number of members, 1,492 at the end of 1911, 2,100 in 1913, 3,300 in 1913 and 3,610 at the end of 1914.

It then states that it is the intention of the society to revive those *regional agricultural shows*, that proved so efficacious for the progress of Italian agriculture and have now for some time been discontinued, the Government itself abandoning the system. These important exhibitions of national agricultural work, region by region, adds the report, must be re-

commenced, so as to revive the competitions that left in the provinces concerned the deep impress of most valuable lessons.

In 1914, the society organised numerous agricultural congresses and meetings, especially the congresses of Rome and Florence last April. At the former, the following were among the subjects dealt with: the Action of the Society in relation to the Renewal of Treaties of Commerce; Excessive Employment of Women and Children in Agriculture; Co-operation and Agricultural Credit in South Italy and Sardinia; Agricultural Arbitration Boards; Insurance against Accidents in Agricultural Work etc.

And the Florence Congress, held under the auspices of the local Agricultural Comizio, examined the questions of Insurance against Accidents in Agricultural Work, Adulteration of Wine and the Results obtained from the American Vines in Italy.

Many of these discussions led to the necessity of approaching the Government or other organisations to induce them to consider the desires expressed at the meetings.

Other smaller meetings were also held in different parts of Italy according to the circumstances and requirements of the moment.

The society further organised interesting lectures and agricultural excursions, and prize competitions, awarding medals, and strove in this way to stimulate local enterprise. For this latter purpose, the institution of *Consuls* was found specially helpful. These consuls are local representatives of the Society, who co-operate in the various provinces to promote the aims of the society, assisting it in all its enterprises and researches. There were 649 consuls and 54 chief consuls at the end of 1914.

To carry out its complex work, the society has formed itself into thirteen sections: Section I. Agricultural Instruction and Sciences applied to Agriculture; Section II. Cultivation of Grain, Cultivation of other Herbaceous Plants, Cultivation of Meadows, Manures and Seeds; Section III. General Livestock Improvement; Section III bis. Horse Improvement; Section IV. Sylviculture and Forest Industries; Section V. Viticulture and Winemaking, Alcohol; Section VI. Cultivation of Olives and Oil Mills; Section VII. Cultivation of Silkworms and Mulberry Trees; Beekeeping, Pisciculture, Poultry Improvement; Section VIII. Cultivation of Fruit, Horticulture and Gardening; Section IX. Agricultural Machinery, Buildings, Farm Improvements and Irrigation; Section X. Plant Diseases; Section XI. Conditions of Agriculture and the Agricultural Classes, at Home and Abroad, Agricultural Contracts, Agricultural Legislation, Agricultural Credit and Co-operation; Section XII. Trade in Agricultural Produce and the Produce of Livestock Improvement, Transport and Customs Tariffs; Section XIII. Women's Work.

The work done by some of these sections in 1914 was very remarkable. Section II concerned itself specially with the sugar crisis; Section V studied the problem of the crisis in wine making; Section XI occupied itself with civic uses, and section XII with the commercial treaties.

The work of the Horse Improvement and Women's Work sections was of special importance. The first of these attended to the compilation of

studbooks, the second to farmwomen's education, schools of domestic economy, colleges for women, and farmwomen's clubs and also promoted course of lectures. Some members presented useful communications at congresses on the excessive employment of women and children in agriculture, small rural industries and the organisation of domestic industries in small agricultural centres.

Among the studies of economic problems that absorbed a great deal of the attention of the Association last year, we must mention those on the sugar crisis, the winemaking crisis, the fall in price of livestock, the renewal of the treaties of commerce, the citrus fruits and grain questions etc.

Among the many undertakings of the Society, we must mention the *Mostra delle Novità Agrarie*, (Exhibition of Novelties in Agriculture), inaugurated in Rome last April. The object of this Exhibition was to show the latest improvements in the direction of agricultural machinery and technique and to spread the knowledge of them among the farmers.

The technical, commercial and legal advisory office worked actively during the year. Nor was the work of the laboratory for chemical analysis, connected with the society, less important. There were made in it quite 796 analyses of water, manure, agricultural produce etc.

Numerous and valuable publications, published by the Society, were also distributed in large numbers among the members.

§ 2. SUBJECTS DISCUSSED AT THE FORTY FIFTH CONGRESS OF THE ITALIAN FARMERS' SOCIETY.

At the important congress some of the chief problems of agricultural economics were discussed and interesting lectures were delivered and communications in regard to the most various matters made: we shall give a short account of these various departments of the work of the congress.

The first matter dealt with was the *Crisis in Winemaking*. Prof. E. Voglino read a report on the matter, first of all observing that the principal cause of the periodical crises in this industry must be sought in the great variations in the production of vines.

Now, to reduce the evil consequences of this irregular production, he advises, that the system of cultivating vines alone be abandoned, and fruit and olive trees etc. be planted in the vineyards and, wherever possible, herbaceous plants between the rows of vines, at suitable distances.

The presenter of the report held that the difficulties of the viticulturists were intensified by the impediments to consumption especially in large cities where the excessive duty on wine raises the price and limits the consumption, and also by adulteration, on account of which he urged the institution of a service for preventing fraud, provided with adequate means, in connection with the *wine making associations*.

He then expressed the desire that the exportation of grapes and wine might be facilitated and urged the society to persevere in its efforts to encourage the consumption of fresh grapes and raisins. He considered that industries for the utilisation of grape products for the preparation of food should be encouraged and after mentioning the prejudices and bad systems of making and keeping wine still largely prevalent in country districts, he expressed the hope that the itinerant agricultural lectureships of the viticultural regions may obtain the funds necessary for engaging a fine expert, whose duties would correspond with those of the "inspectors of cellars", employed in many European states.

He closed his report with the suggestion that the Government should give every facilitation to works of irrigation in the plateaux planted with vines.

Another urgent matter dealt with by the Congress, of capital importance, however, for the national economy, was that of the *Crisis in the Silk Industry in its relation to Agriculture*. Everybody knows what the present conditions of this industry are in Italy. We shall therefore only mention that the Italian Farmers' Society, being greatly alarmed at the crisis, and keenly desirous to contribute to reduce its effects, decided to carry on, among its own members and the agricultural organisations of all the regions in which silk is produced, active propaganda in favour of such an organisation as would allow the silkgrowers to adopt, as widely as possible, the practice of desiccating and preserving the cocoons, in the meantime instructing the Presidential Bureau to study all the measures that might facilitate the adoption of this practice by the producers (1).

After this subject was exhausted, the Congress passed on to a third of no less importance than the foregoing: *Aspects and Data of the Italian Forestry Problem*. Prof. A. Serpieri, Manager of the Superior Royal Forestry Institute of Florence, was charged to deal with the matter; he showed the great difficulties by which the direct action of the State is hampered, in respect to the regulation of mountain basins and the extension of the State Forest Domains. He expressed his hope that the long expected

(1) In this field much might be obtained by means of co-operation among the silkgrowers. In Italy there are a certain number of co-operative cocoon desiccating societies. A typical example is afforded by the *Silkgrowers' Society of the Province of Cremona*, splendidly supplied with ovens and very large warehouses of modern type for the preservation of the produce. This Society has also made provision, by agreement with the Cremona Co-operative People's Bank, for the supply of advances to silkgrowers on deposit of cocoons.

Another example of collective cocoon desiccation is afforded by the silkgrowers of Sarno (Salerno), who have recently formed a co-operative society for the purpose. They intend to cultivate about 500 ounces of grain, which will give 35,000 kg. of cocoons. The Society proposes erecting ovens in the most suitable centres, instituting collective warehouses, lending on deposit, as well as purchasing collectively the grain and the necessary requisites for sericulture and selling the members' produce either collectively or for the private account of each. ANTONIO SANSONE has supplied a valuable guide for the organisation of such co-operative societies in his book: *Gli essiccatori cooperativi da bozzoli*: Casale Monferrato, Cassone, 1903.

completion of the new Italian forestry legislation will allow of an extensive co-operation between the local organisations and private persons, as well in the reafforestation of bare slopes, as in the improvement of pasture lands, and the good arrangement of the water supply for the land to be sown. The learned lecturer was energetically applauded.

Then came Signorina Helga Ohlsen's interesting communication on *Small Industries in the Italian Rural Districts*. From a careful examination of the replies obtained to a schedule of questions sent out by the society in regard to the systematic organisation of domestic industry in the small rural centres, she draw the following conclusions :

(1) That the districts where it is most necessary to found, revive or organise small rural industries are those of South Italy and Latium, because they are most deficient in capital and energy, and to a large extent labour under systems of agriculture that give the workmen least profit;

(2) that, however, the other parts of the Peninsula, north of Latium, must not on these grounds be neglected, since the special conditions of some localities, in spite of the general high level of agriculture and of manufacture on a large scale, seem to indicate the desirability of an increased or a better organisation of industrial labour and wages.

(3) that on the system of distribution of the farms and dwellings will depend the application of one or other of the two principal classes into which small rural industry is divided, that strictly *agricultural* being applicable where the peasants live in houses scattered over the country, and that we shall more particularly call *domestic* being so where the rural population is crowded together in small centres.

(4) that the indications of industrial industries properly so called are everywhere very rare, and that consequently there is more need of creating than of reviving them, especially as it does not always appear advisable to revive a dying industry.

The meeting therefore proposed the appointment of a commission to study the means to arrive at the desired organization of small industries in the Italian country districts.

Another matter that aroused great interest was that of *Poultry Improvement in Italy*, reported on by Signor C. Trossi.

After enumerating the various operations of scientific poultry improvement, he briefly described the conditions favourable for practical industrial equipment. He lamented the want of poultry improvement schools in Italy; the ignorance prevailing in regard to the subject in the country and the material impossibility, from a commercial point of view, for the sale of the produce to be made at the most suitable moment.

After a detailed examination of the statistics of production and exportation, Signor Trossi compared poultry improvement in Italy and in the United States, where it has been possible to obtain 288 eggs per hen of the white Italian breed. In Italy, the average yield is not 90 eggs and in the most advanced European countries it is 160. Now, even if this latter average cannot be exceeded, it is calculated that the value of the Italian yield in fowls and eggs could be 500,000,000 frs. a year.

He then considered what had been done in Denmark for this industry, where, while 30 years ago eggs were imported to the amount of 30,000,000 frs., in 1910 they were exported to the amount of 44,000,000 frs. Italy, however, with a population sixteen times as large, only exported in the same year to the amount of 54,000,000 frs.

He then concluded by showing that it was the absolute duty of the authorities to make provision for this industry so important at once from the point of view of economics and of the food supply. And he proposed the foundation of an *Italian Poultry Improvers' Society*, to provide what was wanting. (1)

The discussion was closed with a resolution expressing the hope that the Government, in accordance with assurances given and the draft bill already studied, may start an experimental poultry improvement farm. In the proposal of Signori Ranieri Pini a vote was passed that private individuals should be urged to promote poultry improvement by the foundation of associations for the purpose.

Count M. di Frassineto dealt with the *Present State of Cultivation by means of Machine Motors*. He first of all indicated the causes that induced British manufacturers to study the means for such cultivation, and mentioned that the first experiments of the kind were made in England in 1835.

Then dealing with the application of machine ploughs, he carefully analysed the causes of agricultural, mechanic and economic character that have a considerable influence on cultivation by means of machine motors, stating that this system of cultivation, where possible, will be of great advantage to agriculture, opening new fields for it. Without delaying over any special case, he illustrated his subject by a very interesting series of limelight views, passing in review all the machines now existing, from the heavy Fowler to the light driving plough, giving a precise idea of each. He terminated with statistics showing the economic gain to be derived from the use of machine motors in agriculture and hoping that it may soon be extended to the whole of Italy. The Hon. Signor Zaccagnino proposed the

(1) Such a Society was indeed founded in Rome last May under the title of *Società Avicola Nazionale*. According to its Rules, its object is the encouragement of the production of farm-ard produce and trade in poultry, eggs and generally in the above mentioned produce. The Rules also enumerate the means by which the Society proposes to attain its object. In this connection, we must mention that it intends to promote the foundation of societies for the proper improvement and selection of poultry, whether with a view to the production of eggs or poultry for food or with a view to breeding, and the supply of food for poultry and suitable land for poultry improvement and the collective sale in Italy and abroad of poultry and the various produce of poultry improvement. Finally, the new organization aims at uniting in a *Federazione avicola nazionale*, with headquarters also at Rome, the various Poultry Improvers', Pigeon Breeders' and Pigeon Fanciers' Societies etc. now existing or to be founded in Italy.

foundation for the purpose of many co-operative societies for purchase of agricultural machinery (1)

As in previous years, the Congress closed with an excursion in the Agro Romano, visiting the farm Torre del Padiglione (3,384 ha.), with the laudable object of enforcing the theoretical conclusions of the Congress by means of practical demonstrations.

2. MISCELLANEOUS INFORMATION.

I. RURAL BANKS AND AGRICULTURAL CO-OPERATIVE SOCIETIES OF COLLECTIVE TITLE EXISTING IN ITALY AT THE END OF 1914. — The *Federazione Nazionale delle Casse Rurali*, with headquarters at Rome, has recently published a list (2) of the rural banks in the Kingdom on December 31st., 1914. Their total number at that date was 2,279 distributed as follows :

(1) A typical example of co-operative societies for the collective use of agricultural machinery in Italy is afforded by the *Consorzio macchine agrarie di Ravenna*. It has been working for four years, ploughing, threshing and ensiling. It has performed the following maximum of work : threshing, 75,000 quintals, ensiling of hay and straw, 183,000 qts., ploughing 1,050 ha. The gross receipts from all its work increased as follows : 1911, frs. 24,986 ; 1912, frs. 78,314 ; 1913, frs. 97,262 ; 1914, frs. 105,716. The good results of these years, together with a share capital raised in 1913 to frs. 196,000 and temporary engagements under the form of the counting of bills of exchange, made the following investments possible : purchase of machine (about 70) 385,000 frs.; premises, 70,000 frs.; equipment of workshop and storehouse 37,500 frs. without reducing the necessary working capital. With regard to the importance of such co-operative societies, see the recent publication of the *Federazione Italiana dei Consorzi Agrari* : *I consorzi per l'uso in comune delle macchine agricole*. Piacenza, Chiolini, 1915.

(2) See *Co-operazione Rurale*, organ of the National Federation of Italian Rural Banks, Rome, no. 3, March 31st., 1915.

<i>North Italy :</i>		<i>Central Italy :</i>	
Venetia	461	Latium	108
Emilia	306	Tuscany	79
Lombardy	253	Marche	72
Piedmont	179	Umbria	20
Liguria	18		
		Total	279
Total	1,217		
<i>South Italy :</i>		<i>Insular Italy :</i>	
Abruzzi and Molise	95	Sicily	360
Campania (1)	76	Sardinia	169
Calabria	46		
Apulia	27	Total	529
Basilicata	10		
Total	254		

Among the provinces with the largest number of banks are Cagliari (128) (2), Rome (108), Verona (107), Bologna (88), Palermo (88), Girgenti (79), Padua (74), Bergamo (73), Cuneo (72), Treviso (71).

The number of the rural banks in Italy, as shown by the statistics of the National Federation, has increased from year to year; there were, in fact, 1,763 in 1910, 1,855 in 1911, 2,033 in 1912, 2,122 in 1913 and 2,279 in 1914.

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2. CO-OPERATIVE SOCIETIES LEGALLY RECOGNISED ON JUNE 30TH., 1914. — The *Annuario Statistico Italiano* (Italian Statistical Yearbook) (3), published by the Department of Agriculture, Industry and Commerce,

(1) There has recently been founded a Federation of the Agricultural Banks of the Province of Salerno, with the principal object of promoting collective purchase and sale among these agricultural banks and facilitating the keeping of their books for them, by giving them the assistance of a special office.

(2) In Sardinia and more especially in the province of Cagliari, the number of rural banks has rapidly increased, especially owing to the efficacious propaganda started by the Oristano Itinerant Lectureship of Agriculture and continued with the assistance of the *Federazione delle cooperative e mutue agrarie sarde* and with the support of the Cagliari Ademprivile Bank, is branches of which the rural banks work. In 1914 in this province 32 new banks were founded, and there are now altogether 130 there. Recently in connection with the above mentioned Federation an Itinerant Lectureship of Co-operation and Agricultural Mutuality for Sardinia was instituted for the special purpose of giving unity of direction to the co-operative movement of the region.

(3) *Annuario Statistico Italiano*, second series. Vol. III^e Year 1913.

advises us that the legally constituted co-operative societies, exclusive those the principal object of which is credit business, in Italy, on June 30th., 1914 were 7,429, as follows :

Co-operative Distributive Societies.	2,255
„ Labour „	1,758
„ Agricultural and Wine making Societies	1,242
„ Industrial Production Societies	831
„ House Building „	677
„ Insurance „	151
„ Food Industry „	125
„ Fishermen's „	94
Miscellaneous Co-operative Societies.	206
Total	7,429

These 7,429 societies are divided in the Yearbook, as follows, according to Regions :

Emilia	1,667	Campania	259
Lombardy.	1,334	Marche	238
Tuscany	773	Umbria	115
Venetia	633	Calabria	102
Piedmont	586	Abruzzi and Molise	80
Latium	468	Sardinia	44
Sicily	385	Basilicata	27
Liguria	368	Colony of Eritrea.	1
Apulia	289		

* *

3. THE " FEDERAZIONE SICILIANA DELLE CO-OPERATIVE " OF GIRGENTI IN 1914. — As appears from the report of its general secretary (1), the Regional Federation made considerable progress also in 1914. The federated bodies, mostly agricultural banks, increased, indeed, in the year from 52 to 56; the total number of members increased from 10,653 to 11,237. The deposits in these institutes amounted on December 31st., 1914 to 763,730 frs. and their assets to 2,849,179 frs. The following data relative to some of the affiliated societies will also be found to have their interest

(1) See: *Co-operazione Agricola in Sicilia nel 1914. Federazione Siciliana delle Cooperative Girgenti*, 1915.

The *Cassa agraria popolare di Rgvannusa* discounted agricultural bills for its members in the course of the year to the total amount of 256,795 frs. and rediscounted bills with the Bank of Sicily for 213,345 frs.; further, it discounted ordinary bills for 50,346 frs.; increased its sales of superphosphates from 2,584 quintals to 4,630 quintals (1); its assets from 156,503 frs. to 268,405 frs.; its share capital from 9,010 frs. to 13,585 frs.; and its reserve fund from 3,127 frs. to 4,908 frs. At the same time the members increased from 443 to 521.

The number of members of the *Cassa agraria sociale di Aragona*, which, in December 31st., 1913 was 372, with total private assets of 1,768,855 frs., in December 31st., 1914 was 420, with assets of 2,024,355 frs. The sales of superphosphates made by it had increased in the same period from 1,480 to 2,630 quintals.

The members of the *Società anonima cooperativa agricola di Noto* increased from 279 to 304, its share capital from 29,862 frs. to 33,428 frs. and the sales of manure and seeds in 1914 amounted to 18,654 frs.

The number of members of the *Cassa agraria sociale di Canicattì* increased from 216 to 315 and the general business done from 17,088 frs. to 2,203 frs.

The *Cassa agraria sociale di Camastra* in 1914 leased about 150 ha., and increased its total business from 32,488 frs. to 40,998 frs.

The share capital of the *Cassa agraria comunale di Grotte* increased from 1,768 frs. to 7,344 frs. and the reserve fund from 1,677 frs. to 2,365 frs., its *Bottega sociale di generi di consumo* (Collective Warehouses of Articles or Consumption) increased the assets of the Bank on December 31st., 1914 by 6,853 fr.

Finally, the assets of the *Cassa agraria sociale di Licata* increased from 1,841 frs. to 12,233 frs.; its members from 140 to 179, and its total business from 5,070 frs. to 17,917 frs.

The above Federation, while dedicating itself especially to agricultural co-operation has not failed to give its attention also to other forms of co-operative organisation. Thus, in the field of Co-operative Labour, it has started the co-operative society, "L'Avvenire del Lavoro" (*Future of Labour*), with head quarters at Girgenti, which, founded in 1913, established its position firmly last year, competed in the first competitions for contracts and was assigned contracts for works for a total amount of 17,500 frs.

In the field of co-operative distribution, in addition to the communal agricultural bank of Grotte with its *Bottega Sociale* alluded to above, the

(1) As observed in the above report, the collective purchase of manure and farm requisites is not only a benefit for the individual members of the affiliated co-operative societies through the fair price and the certainty of the good quality of the articles, but also constitutes a saving, and provides them substantially with the only means of any importance they have for paying their working expenses. On the other hand, those societies that restrict themselves to agricultural credit business, do not always make enough profit out of it to pay their working expenses and many of their balance sheets are closed with a loss, only due to the excess of the expenditure over the revenue.

Federation has amongst its affiliated societies, the co-operative society, "La Beneficenza" of Campobello di Licata, reconstituted in 1913, which showed on its balance sheet on December 31st., 1914: credits, subventions and goods, 3,602 frs.; assets, 5,233 frs.; share capital 1,793 frs., profit, 250 frs. Other federated societies occupy themselves with the sale of articles of food to their members and farmers generally. Thus the co-operative agricultural consortium of Aidone, began this work in 1910 and its collective warehouse does an annual business of about 20,000 frs.

Noteworthy also was the work done by the *Azienda-Concimi* (Manure Business) in connection with the Federation, as it sold goods and agricultural machinery for a total sum of 246,199 frs.

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4. FIRST RESULTS OF THE AGRICULTURAL CREDIT BANK IN TUSCANY.— In October, 1913, a large group of Tuscan farmers, convinced "that the special economic function of agricultural credit, its natural incompatibility with every kind of banking speculation and the forms and guarantees required by it, demands the constitution of an Institute to make the business its speciality", founded an agricultural bank at Florence under the form of a limited liability co-operative society for the following purposes:

(a) to make advances to members to enable them to provide their farms with live and dead stock;

(b) to purchase agricultural machinery, implements, seed, manure, anticyptogamic material and whatever else may be needed for agricultural purposes;

(c) to grant credits on crops and on the produce of farms, stored in the farmers' own cellars and storehouses.

(d) to discount bills passed to members on account of or in full payment of the produce of their farms.

In respect to the first working year of the Bank we are now in a position to communicate the following particulars (1):

Founded, first of all, on October 10th., 1913, with 32 members, 60 shares and 6,000 frs. capital, it had on December 31st., 1914, 290 members, a capital of 54,100 frs. and a reserve fund of 1,460 frs., formed by means of entrance fees.

The subscribers of the capital, in accordance with the constitution of the Bank, belong almost all to the agricultural class, and are proprietors of large, average sized and small farms, tenants and labourers; there are also amongst them agricultural associations, consorzi and comizi and some important banking institutions, such as the Monte dei Paschi di Siena etc.

(1) See the report of the Board of Management in "Agricoltura Toscana", Florence, no. 7 April 15th., 1915.

The Bank began business in February, 1914, with two departments, for deposits and loans on bills, for short terms.

The amount of the deposits is rather small (16,131 frs. on December 31st., 1914), but yet it is satisfactory in consideration of the institute being only just founded. On the other hand, the loans represent a considerable sum. There were, indeed, presented to the Bank for discount, bills for an amount of 227,264.85 frs. and bills for 199,354.85 were accepted and the others for 27,910 refused acceptance.

The bills accepted were presented by large landowners to the amount of 26,367 frs.; by owners of small and medium sized farms to that of 142,737.25 frs.; by tenant farmers and metayers to that of 8,650 frs.; by rural agents to that of 9,135 frs.; by agricultural associations to that of 9,075 frs.; and by rural tradesmen and industrials to that of 3,390.60 frs.

As regards their object, the credits granted may be classified as follows: discount of bills of members passed for credits for agricultural purposes, 54,962.85 frs.; loans for purchase of livestock, 71,917 frs.; for purchase of manure, 34,500 frs.; loans for purchase of sulphur and sulphate of copper, 14,900 frs.; loans for agricultural implements, 10,500 frs.; for building farm houses, 3,500 frs.; loans to agricultural associations, 9,075 frs.

The applications varied from a minimum of 150 frs. to a maximum of 15,000 frs.; but the average amount granted was about 2,000 frs. The rate of interest was fixed at 6 %. The profits amounted to 2,865 frs.

These first results, therefore, augur very well for the future of the Bank.

* *

5. IMPORTANT AMENDMENT OF THE RULES OF THE ITALIAN FEDERATION OF AGRICULTURAL CONSORZI AND ITS WORK IN 1914. — The rules of the Italian Federation of Agricultural Consorzi, the most important co-operative organization in Italy were amended in two special meetings at Piacenza, on February 15th. and October 18th., 1914 (1), for the advantage of the federated associations and the national agriculture. We reproduce in full article 3 of the Rules (2), defining the object and the new duties of the Federation. It runs as follows:

"The object of the Italian Federation of Agricultural Consortium is to assure the greatest development for agriculture in Italy and its colonies and the greatest possible increase of prosperity for the agricultural classes. To attain this end, it proposes principally:

(1) to promote the formation of new agricultural consorzi, to contribute to the extension of the work of those already existing and give

(1) See *Italia Rurale*, organ of the Italian Federation of Agricultural Consorzi, Piacenza no. 520, March 16th., 1914 and no. 524, December 28th., 1914.

(2) See *Statuto della Federazione Italiana dei Consorzi agrari, Società anonima cooperativa a capitale illimitato con sede in Piacenza*. Piacenza. Tip. E. Chiolini, 1915.

those consorzi or other institutes working as such unity of action and of aim;

(2) to produce, purchase and sell for account of and in the interest of members, goods, produce, implements, machinery, live and dead stock and all farm requisites and sell to non-members, but only in the cases expressly authorized by the Board of Management;

(3) to lend or lease machinery and implements;

(4) to obtain the information and the means to enable the agricultural classes to profit by the best markets and obtain specially favourable tariffs for them;

(5) to favour the equipment of experimental farms in the interest of agriculture;

(6) to act as simple intermediary between members and third parties, when necessary standing security or giving credit to members for the purchase of their farm requisites or the sale of their produce.

When the Board of Management considers it advisable, the Federation may also constitute associations together with the federated societies, which shall elect representatives."

The new rules further lay it down that the Federation may become a member of national and foreign societies of kindred aim, especially societies for production and trade in farm requisites, manure, machinery, implements etc.

The work of the Federation in 1914 (1) may be summarised as follows: goods sold 13,106,724 frs.; machinery 2,590,545 frs. altogether 15,697,269 frs. The assets on December 31st., 1914, amounted to 274,355 frs.

* * *

6. RESULTS OF A NATIONAL PRIZE COMPETITION AMONG CO-OPERATIVE FISHERMEN'S SOCIETIES. — In 1912 the Minister of Agriculture, Industry and Commerce opened an important prize competition for the co-operative fishing societies and similar associations, of which we now know the results (2). These co-operative societies are regulated in Italy by law no. 378 of July 11th., 1904, which aims at uniting the sea fishermen in five large syndicates to represent collectively the co-operative societies and associations in the several regions. There are already in Italy some fishermen's syndicates, the work of which is greatly beneficial to the class, namely, the Adriatic Syndicate, the Sicilian Syndicate, the Liguro-Sardinian (3)

(1) See in this connection *Italia Rurale*, Organ of the Federation, Piacenza, No. 527. March 18th., 1915.

(2) See the Report of the Committee of Judges for this Competition in the *Boletino del Ministero di Agricoltura, Industria e Commercio*. Series A. March 13th., 1915. On June 30th. 1914, there were 94 co-operative fishing societies legally constituted in Italy.

(3) In October, 1914 the *Federazione Nazionale dei Sindacati Pescherecci* (National Federation of Fishermen's Syndicates) was formed for the national representation of sea fishing societies, organized under a co-operative form, with the intention of dealing collectively with matters of general interest for the syndicates and the several sea fishing societies represented in them.

ndicate etc. Their object is to work wisely and effectually for the organisation and improvement of the fishing industry in Italy. The law, therefore, grants each syndicate for the first year a subvention that may amount to 30,000 frs. (50,000 frs. in the case of the Adriatic Syndicate), and afterwards an annual amount of 10,000 frs. These funds must serve:

(a) to promote and assist mutual societies for the insurance of fishermen and the instruments of their labour;

(b) to organize supervision over fishing;

(c) to extend the area of the fisheries, providing new and better means of transport and of preservation of the produce;

(d) to facilitate fishing and the most remunerative sale of the produce of the societies and to assist them in increasing the production of the fisheries by diffusing a knowledge of the best means of catching, rearing, treating and selling fish;

(e) to facilitate for the societies the purchase of the plant and implements necessary for the industry;

(f) to enable the syndicates to act as representatives and intermediaries for the societies to assist them in obtaining credits on pledge from the popular credit banks and other credit institutes etc.

In virtue of the above law, various prize competitions have already been opened for the co-operative societies under consideration. The last as that of 1912, above mentioned, to which 58 societies were admitted, and 15 were awarded prizes. The prizes were divided into three classes, 5,000 frs., 4,000 frs. and 3,000 frs.

The first class prizes were awarded to the Society of Camogli (Genova), for the high degree of industrial development attained", that of Molfetta, deserving of the highest consideration on account of the perfect and harmonious blending of capital and labour, the considerable development of co-operative action and the remarkable impulse it has given to the fishing industry," that of Porto San Giorgio (Ascoli Piceno), as having succeeded in transforming the local fisheries into a "really great industry, taking advantage of all possible technical improvements, providing warehouses well supplied with implements and articles of food and equipping a fishing fleet of its own", and lastly that of San Benedetto del Tronto, which, on account of the way it is organised and works, the means it has been able to provide itself with (warehouses for implements and food supplies; fishing fleet etc.), having really advanced the fishing industry and discovered new fields of action, deserves, as the Committee of Judges decided, to be held in the highest consideration.

The second class prizes (4,000 frs.) were assigned to the Society of Stintino (Sassari), which has given a considerable impulse to co-operation and organised the collective sale of fish and lobsters, the principal produce of these fisheries, thus securing real benefits for the fishermen; that of Soli (Genoa), which, for the aims it sets before itself (the subsidising of old and incapable members, the widows and orphans of members, the promotion and subsidising of co-operative societies for production and distribution among members), which have been partly attained and the

admirable manner in which it is organised and works, is worthy of esteem and that of Spadafora San Martino (Messina), which has attained a "very important development conferring real benefits on the fishing classes of these coasts". Its work is above all apparent in the collective fishing and collective and direct sale of fish, in the management of warehouses for articles of food and other goods and in mutual assistance.

Finally, the third class prizes (3,000 frs.) were assigned to: the Society of Ischia (Naples) deserving of praise "above all for the scientific development of fishing with lights, carried on collectively, to the no small improvement of the conditions of the fishermen and contributing at the same time to the industrial development of the fisheries", that of Torre del Faro (Messina) which, "with very small means, but a wise organisation and praiseworthy persistency, has, by collective fishing, and sale of fish and the management of a warehouse for articles of food and mutual assistance rendered real benefits to the fishermen"; that of Mazzara del Vallo (Trapani) worthy of note above all for the work it has done for the improvement of the conditions of the fishermen both economic (by means of warehouse for implements and articles of food) and moral (by means of its school for the illiterate and its library), the protection of their interests and measure of thrift for their benefit; the co-operative society of Sciacca (Girgenti) which provides in a praiseworthy way for the improvement of the conditions of the fishermen of that coast, for mutual assistance and the supervision of the fisheries; the limited liability co-operative society of Arcona, the only one in Italy which uses steamboats for fishing; the society of Chioggia (Venice), which has the sole object of promoting thrift among the fishermen registered with it, who pay a small contribution to an old age, sickness and accident fund; and the co-operative society of Termini Imerese (Palermo) worthy of special consideration for its action in solving the problem of the sale of produce, protecting the fishermen against exorbitant speculators as well as for having instituted a warehouse for sale and a dyework for dyeing nets.

Subsidies were also distributed to other societies by way of encouragement, in amounts varying from 300 frs. to 2,500 frs.

RUSSIA.

MISCELLANEOUS INFORMATION.

1. CONSIDERABLE INCREASE IN THE NUMBER OF FEDERATIONS OF CO-OPERATIVE CREDIT SOCIETIES. — In an article entitled, "Federations of Co-operative Credit Societies in Russia in 1913", which was published in the number of this "Bulletin" for November, 1914, we have already shown that one of the principal obstacles to the scientific and natural development of the Federations of Co-operative Credit Societies in Russia was to be found in the complication and the delays of the administrative procedure in relation to their legalisation. After mention of some simplifications introduced in 1911, we added that the Government, on the one hand, and the societies themselves, on the other, were both studying how to solve the problem of legalisation in a still more satisfactory manner, and stated that the day was not far off when the Russian laws in regard to the federations of co-operative societies would be such as to permit of an increase of these Federations as remarkable as that shown in the same article as having taken place in the department of independent co-operative societies.

The continuation of the great European war has prevented the realisation of this hope. With their attention engrossed by serious questions of other character, neither the Government nor the societies have had the leisure to come to an understanding on the subject of co-operative legislation, and the new law on the subject is now as before still only a project.

This, however, does not mean that the Government has completely ceased to interest itself in the matter. Quite the contrary. More convinced than ever of the usefulness of the Federations in view of the considerable services rendered to the country, from the earliest months of the war, by the independent co-operative credit societies and above all by their federal organisations, the Council of Ministers, in its session of March 31st. (April 13th.), approved the rules of 17 new Federations of Co-operative Credit Societies in the following provinces, towns and villages:

(1) The Federation of *Bessarabia*, the site of the headquarters of which is not yet fixed, to serve for the whole province of that name.

- (2) The Federation of *Podolsk*, for the province of the same name with headquarters at Vinnitsa.
- (3) The Federation of *Ryazan*, for the province of the same name with headquarters at Ryazan.
- (4) The Federation of *Birsk*, for the district of the same name (Province of Ufa).
- (5) The Federation of *Sterlitamak*, for the district of the same name (Province of Ufa).
- (6) The Federation of *Ufa*, for the district and province of Ufa.
- (7) The Federation of *Berezowo*, for the district of Nikolayev of the Province of Samara.
- (8) The Federation of *Melekhess*, for the district of Stavropol in the Province of Samara.
- (9) The Federation of *Perejaslaw*, for the district of the same name in the province of Poltava.
- (10) The 2nd. Federation of the *Don*, for the district of Novo Cherkask in the territory of the Don Cossacks.
- (11) The Federation of *Romno*, for certain regions of the Province of Poltava.
- (12) The Federation of *Nikolayev*, for part of the Province of Kherston.
- (13) The Federation of *Kinel Cherkasy*, for certain regions of the Province of Samara.
- (14) The Federation of *Tsaritsyn*, for part of the provinces of Saratov and Astrakhan.
- (15) The Federation of the *Southern Don*, for the districts of Rostov and Taganrog in the territory of the Don Cossacks.
- (16) The Federation of the *Northern Don*, for certain districts of the territory of the Don Cossacks.
- (17) The Federation of the *Donetz*, for the district of the same name in the territory of the Don Cossacks.

The rules presented for approval by these 17 new Federations are actually approved by the Council of Ministers are all in conformity with the model rules of the year 1911, the advantages of which we pointed out in the above mentioned article in our Bulletin of last November, except that the Ryazan Federation asked for a modification of three of the paragraphs of the model rules. The alteration requested was considered logical and reasonable that the Council of Ministers of its own accord has authorized its adoption by all the other Federations.

Finally, in the same session of March 31st. the Council of Ministers authorized two Federations, that of *Blagodarnoje*, founded in 1906, and that of *Yekaterinburg*, founded in 1905, to adopt the model rules of 1911. Both made application years ago for this authorisation, the importance of which we have already fully shown (article in Bulletin for November 1914), as it enables them at last to borrow, accept deposits and lend to the societies belonging to the Federation.

To understand the full importance of the decision of the Council of Ministers, it will be enough for us to remember that while there were 14,000

independent co-operative credit societies in Russia in November last year there were only 14 Federations of such societies. Therefore, the decree of 31st. March last, has authorized an increase of these associations to *more than twice their number*, as well as the suppression of the last vestige of the antiquated rules, the restrictive provisions of which, depriving the federal associations of every reason for their existence, suffice to explain the extraordinarily little progress of these co-operative associations, notwithstanding their utility.

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2. WORK OF THE MOSCOW PEOPLE'S BANK IN THE YEAR 1914. --- The Moscow People's Bank, the origin, organisation and aims of which we dealt with in one of the earlier numbers of this Bulletin (1), has just published the report of its third working year, which is particularly interesting as showing the influence of the war on the principal central credit institute of the Russian co-operative societies.

From a financial point of view the outlook for the year 1914 appeared most encouraging. The world's market was calm and firm, discount showed a tendency to fall, and the banks of issue possessed absolutely sufficient bullion reserve. During the early months of the year the situation only improved, and everything seemed to promise a most profitable season, when the outbreak of the great European war unexpectedly changed the whole situation.

As regards the banks, the first effect of the crisis was a rise as general as sudden in the discount rate. At the Bank of England, for example, it rose from 3 to 4 % on the 30th. July, and the next day to 8 % and at last on August 13th. reached the maximum of 10 %, which fortunately could be soon afterwards reduced. A similar phenomenon was to be observed almost everywhere. On July 30th., the Bank of France raised the rate of discount from 3 ½ % to 4 ½ %; two days later it was raised to 6 %. In Russia, finally, the Imperial Bank raised its rate from 5 ½ % to 6 ½ % on July 30th.

This last change naturally affected all the private institutes credited by the Imperial Bank, and, consequently, also the Moscow People's Bank. In certain cases these institutes were obliged to raise their rate of discount to the absolutely prohibitive rate of 10 %, exclusive of commission.

Simultaneously there was a panic among the depositors. According to the returns of the Imperial Bank, 198,000,000 rubles of various kinds of deposits were withdrawn during the first thirteen days of the crisis, and on October 1st. (Russian style) the total amount of deposits withdrawn was 356,800,000 roubles; or almost, 1,000,000,000 francs.

(1) See Bulletin of Economic and Social Intelligence, for October, 1912, pp. 75 et seqq

As far as the Moscow People's Bank was specially concerned, the deposits withdrawn in the first three days of the crisis amounted to 288,000 roubles, and the panic continued up to August 2nd., with a total withdrawal of 520,761 roubles of savings deposits and deposits in current account. If, under these circumstances, the Bank succeeded in keeping open, it was due to the providential intervention of the Imperial Bank of Russia, which, on July 23rd., opened for it a credit of 200,000 roubles, increased later to 800,000 roubles.

From August 2nd. a progressive improvement began in the economic position of the Moscow People's Bank. Deposits again flowed in, slowly and prudently at first, then in larger and larger quantity. In August they were only 11,000 roubles, in September they were already 386,000. In October they again decreased, it is true, to 279,000 roubles, but increased again in November to 384,000 and finally in December they reached the immense figure of 637,000 roubles. Thanks to these deposits, which not only completely made up for the withdrawals at the beginning of the crisis and in the months that followed, but even gave a surplus of more than 1,000,000 roubles, the Bank found itself in a position to continue its operations in quite an ordinary way, even lowering its rate of discount (which it had had to raise to 6 $\frac{1}{2}$ %), to below what it was before the war began.

Altogether, in spite of all the difficulties due to the absolutely exceptional circumstances of the moment, the Moscow People's Bank succeeded in maintaining its economic position firmly and in closing its accounts for the year 1914 with a net profit of 100,783.34 roubles out of a gross revenue of 521,304.03 roubles exceeding that for the year 1913 by 265,277.17 roubles.

Some general figures will show even better the remarkable increase in the business of the Bank during this year, in spite of its being beset with difficulties of every kind.

At the beginning of the working year the amounts held by the Bank were shown as 4,303,531.06 roubles; on December 31st., on the other hand, they amounted 8,430,610.18 roubles, distributed as follows: amounts derived from private institutions and private individuals 5,000,734.11 roubles, from co-operative associations, 3,429,776.07 roubles.

The total business of the bank increased in quite the same proportion. In fact from 56,000,168.74 roubles in 1913 it increased in 1914 to 100,221,080.64 roubles.

With regard to the various items of the accounts, the largest debits were the deposits in current account, the balance from which on January 1st., 1915 amounted to the total sum of 3,854,325.20 roubles, as against 2,262,925.94 roubles on the 1st. of January of the preceding year.

This large increase in the amount of deposits enabled the Bank to increase its credit business. In 1914, it was able to open to the various co-operative organizations various credits amounting in all to 11,541,574 roubles, while, in 1913, it was only able to do so for a smaller amount of 4,175,224 roubles. In comparison with the previous year, the amount of

business transactions between the Bank and its correspondents among co-operative associations increased by 10,957,961 roubles, reaching a total of 32,803,307 roubles. The collections also increased quite as satisfactorily, reaching the figure never before attained of 3,264 amounts making a total of 923,584.88 roubles.

Finally, the business of the special Department of the Bank for purchase on commission, for the account of the co-operative organisations, agricultural machinery, implements or other farm requisites, has increased in the most satisfactory manner, showing a total business done of 1,124,285.85 roubles or 576,893.26 roubles more than in 1913.

This consolidation of its general economic position has allowed the Bank to join with all the other banks of Moscow limited by shares in subsidising the great National loan at 5 %, undertaking for its part to place bonds for a total amount of 1,400,000 roubles.

Altogether, far from ruining or enfeebling the newly started central credit institute of the Russian co-operative societies, the terrible economic crisis, occasioned by the great European war, has, on the contrary, enabled the Bank to show itself clearly as a financial institute deserving of every confidence, and proof against any trial.

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3. GOVERNMENT SUBVENTIONS TO SMALL CREDIT INSTITUTIONS. — It is just a year since we published in this Bulletin a table showing the total amount of subsidies granted under form of loans on favourable conditions by the Russian Government to the various small credit institutions since their definite organization up to May 1st., 1914 (1).

From that table we see that at that date there were in Russia altogether 18,789 credit institutions for small credit (2) namely :

- 9,900 co-operative credit societies of Russian system (Кредитные товарищества) (3).
- 3,586 co-operative credit societies of Schulze-Delitzsch system (Сельскохозяйственные кассы),
- 200 "zemstvo" banks for small credit,
- 5,090 loan and saving banks of the rural communes, and lastly,
- 12 unions or federations of small credit institutions.

(1) See the Note entitled "Material Support afforded by the Russian Government to the Popular Credit Institutions" in the number of this Bulletin for August, 1914, pp. 44-46.

(2) The small credit institutions of Finland are not included in this total, nor are they taken into consideration in the present note.

(3) As regards the difference between the co-operative credit societies of Russian system and those of the Schulze-Delitzsch system, see the article "Co-operation in Russia" by S. Prokhorov, in the number of this Bulletin for January, 1914.

On May 1st., 1914, these 18,789 institutions had received in all from Government 258,854,100 roubles (688,551,906 francs), of which 45,439,700 roubles under form of long term loans, to make up the capital of the various institutions and 213,423,400 roubles as short term loans. In the year May 1st., 1913-May 1st., 1914 the net increase in the above amount had been: long term loans 8,168,800 roubles, short term loans 63,416,200 roubles; altogether 71,585,000 roubles or 190,416,100 frs.

From the statistics published regularly in the weekly review of the Department of Small Credit Business (Вѣстникъ мелкаго кредита), it is evident that the action, as remarkable as it is beneficent, of the State in behalf of the small credit institutions has scarcely diminished in spite of the great European war.

In fact, on May 1st. of the present year, the total amount placed at the disposal of the small credit institutions by the State reached the immense figure of 322,604,600 roubles or 858,128,236 frs. distributed as follows:

Short term loans: 269,518,100 roubles, 59,415,000 roubles being granted specially for loans on pledge of grain.

Long term loans (for the initial capital of banks): 53,086,500 roubles of which 6,743,100 roubles were supplied by the Imperial Bank of Russia whilst 43,913,600 roubles were furnished by the State savings bank and 2,429,800 roubles by the Department of Small Credit Business.

The distribution of these loans among the different classes of small credit institutions, the amount granted to each class of institution on May 1st., 1914 and May 1st., 1915, the increases in the amounts so granted in the course of the same period, and, finally, the increase in the number of small credit institutions in the year, are seen in the following table, drawn up on the model of that published by us last year so as to facilitate comparison.

Material Support Afforded by the Russian Government to the Popular Small Credit Institutions.

	Number of Institutions			Long Term Loans (1) (in Roubles)			Short Term Loans (in Roubles)			Total (in Roubles)		
	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase
Co-operative Credit Societies (Russian System) (2)	9,900	10,933	1,033	35,197,700	49,916,000	5,718,300	163,380,200	200,879,600	37,499,400	198,386,900	247,806,500	43,219,600
Co-operative Loan and Savings Banks (Schulze-Delitzsch sys- tem) (2)	3,586	3,959	373	4,539,600	5,456,300	916,700	30,330,700	43,017,500	12,686,800	34,879,300	48,473,700	13,594,400
Zemstvo Popular Credit Banks . .	200	234	34	3,318,600	4,977,000	1,658,400	15,038,000	18,510,000	3,472,000	18,356,000	22,587,000	4,231,000
Loan and Savings Banks of the Rural Communes	5,090	4,980	110	2,045,400	2,166,400	121,000	4,436,500	5,821,000	1,384,500	6,481,900	7,987,400	1,505,500
Unions of Popular Small Credit Institutions	13	14	1	330,000	460,000	130,000	220,000	1,290,000	1,070,000	550,000	1,750,000	1,200,000
Total	18,789	20,166	1,377	45,430,700	53,086,500	7,655,800	213,434,000	269,518,100	56,084,100	258,854,100	312,604,600	63,750,500
Total in frs	—	—	—	120,845,662	141,210,090	20,364,428	567,706,244	716,918,166	149,211,905	688,551,905	838,284,561	169,732,656

(1) For the initial capital of small credit institutions. — (2) For further details in regard to these co-operative societies, see in the number this Bulletin for January, 1914, the article "Co-operation in Russia," by S. Borodavsky.

Thus, as we see from the table, the total number of small credit institutions, on May 1st., 1915 was 20,106 or 1,317 more than in the preceding year. The increase is observable in every class of small credit institution, except in that of the loan and saving banks of the rural communes, the number of which, on the contrary decreased by 110. The principal reason for this decrease is to be sought in the unfortunate organization and antiquated rules of these banks, evidently destined to be superseded by the far more modern and adaptable co-operative institutions properly so called.

Compared with the increase in the previous year (2,100 new societies), that of the year May 1st., 1914-May 1st., 1915 shows a falling off, a diminution of the general advance. This, which is shown by all the statistics, is due in the first place to the fact that in many regions co-operative credit has already attained a development quite sufficient for local needs. Let us observe that there is at the present moment to be noted among the Russian co-operative societies a very marked tendency to rally to the existing organisations, rather than to found new ones. A diminished increase in the number of the co-operative societies thus in no way implies a diminished increase in the number of members (1).

It is true that as far as co-operative credit is especially concerned, the difficulties placed by the authorities in the way of the foundation of federations of these associations have considerably impeded their natural development (2). These difficulties are now happily surmounted. The Government has just authorized the constitution of seventeen new federations of small credit institutions, thus, at one stroke, raising the number of these organisations to more than double what it was before (3), and a glance at the figures given for the "unions" in our table shows that comparatively the largest increase in the subsidies granted to the various classes of small credit institutions is precisely that affecting the credit granted to the federations. Let us add that at this moment sixty new federations are awaiting the approval of their rules from day to day (4).

In any case, it is certain the war has had nothing to do with this slight reduction in the numerical increase of the Russian small credit institutions.

The total amount granted by the Government for small credit in the year May 1st., 1914-May 1st., 1915, was, as our table shows, 63,750,500 roubles or 169,576,330 frs. Comparing this with the amount granted

(1) Unfortunately we do not possess the necessary elements — detailed statistics of the number of the members of the co-operative societies — to prove the truth of our assertion by means of figures.

(2) Cfr. the article "Federations of Co-operative Credit Societies in Russia in 1913" in the Number of this Bulletin for November, 1914.

(3) See § 1 of these notes.

(4) See the article "Ростъ кредитной кооперации" (Progress of Co-operative credit) by M. Ilinsky in the number of the "Кооперативная Жизнь" (Co-operative Life) for May, 1915.

in the preceding year (71,585,000 roubles) we observe a decrease of 3,834,500 roubles. This decrease, corresponding with the diminution we have just observed in the numerical increase of the institutions, is also absolutely independent of the circumstances of the moment. It is solely due to the fact that the small credit institutions have had no need for larger subsidies. The proof of this is that, on March 1st., of this year, the amount of credits open to these institutions at the Imperial Bank of Russia and the Government savings banks was 286,151,000 roubles, whilst the sums actually borrowed by the institutions to which it was open amounted only to 137,882,000 roubles or less than half what was available for them (1).

To sum up, we see that, in spite of the present war, the Russian Government has been able to continue its subventions to the small credit institutions in the same degree as in previous years. There has been no appreciable limitation of its action in this respect. On the contrary, the assistance given has far exceeded, as we have just seen, the requirements of the institutions.

(1) See the article of M. Ilinsky referred to above.

MISCELLANEOUS INFORMATION RELATING TO CO-OPERATION AND ASSOCIATION IN VARIOUS COUNTRIES.

DENMARK.

FARMS AND CO-OPERATIVE SOCIETIES. — Our official correspondent has sent us the following note: —

The last livestock census taken in July, 1914, has supplied interesting information in regard to the part taken by farms in various co-operative undertakings.

The principal results of this enquiry are shown in the following table compared with those obtained for 1909.

Number of Farms associated in the work of	1914	1909
Co-operative Dairies.	154,175	154,602
Dairies Worked in Common.	12,130	12,536
Co-operative Slaughterhouses.	111,428	86,510
Co-operative Societies for Exportation of		
Livestock.	8,316	8,303
Co-operative Societies for Sale of Eggs . .	41,757	48,172
" Horse Improvement Societies	19,104	23,191
" Livestock " "	17,740	27,777
" Pig " "	4,663	6,824
" Sheep " "	315	883
Control Societies	15,824	12,572

The number of farms associated in the work of the *co-operative dairies*, as in that of those *dairies worked in common*, seems not increasing. The number of cows in 1914, was almost the same as in 1909. This is probably due to an increase in the sale of milk in towns and perhaps also in part to increased exportation.

On the other hand, the number of members of co-operative slaughterhouses increased considerably between 1909 and 1914; in fact, from about 86,000 it has increased to more than 111,000. It is true that also the number of pigs has increased during the same period from 188,000 to 200,000, but this increase is proportionally less considerable than that of members of the co-operative slaughterhouses. In 1909, 46 % only of the total number of pigs belonged to members of co-operative slaughterhouses; in 1914, the proportion had increased to about 53 %.

The number of farms engaged in *co-operative livestock improvement* remained almost what it was in 1909, but the number engaged in the *co-operative sale of eggs* has decreased largely, and this is perhaps due to the larger share taken in this sale by the co-operative slaughterhouses, which make it part of their business also to collect and sell eggs.

The number of the members of the *co-operative livestock improvement societies*, generally, in 1914, was less than in 1909, which is certainly a result of the amendments introduced into the law of 1912 on domestic animals (*Haustiergesetz*) in regard to the regulations concerning Government subventions to undertakings of this character. The following table relates to co-operative horse and horned cattle improvement societies mentioned by the State between 1904 and 1913. The 1912 law only allows Government subventions to co-operative pig and sheep improvement societies.

	Co-operative Horse Improvement Societies		Co-operative Horned Cattle Improvement Societies	
	Number of Societies	Number of Stallions	Number of Societies	Number of Bulls
1904	236	300	913	1,013
1905	243	320	1,005	1,153
1906	233	273	1,095	1,369
1907	258	304	1,165	1,363
1908	258	303	1,240	1,465
1909	260	310	1,310	1,550
1910	270	312	1,260	1,464
1911	280	295	1,145	1,325
1912	267	281	1,072	1,228
1913	287	272	934	1,123

The total number of cows registered with the "Control" Societies increased from 12,600 in 1909 to about 15,800 in 1914. The increase is most exclusively in Jutland, where there were in 1909 only 4,000 cows registered with these societies, whilst in 1914 there were 8,100. The greatest increase was shown in the Rander Bureau, where the number has risen from 594 to 2,473.

GREAT BRITAIN AND IRELAND.

1. — MILK RECORD SOCIETIES IN SCOTLAND. — Systematic milk-recording is carried on in Scotland by a number of local record societies under the direction of the Scottish Milk Records Association. For this work the Association has received a grant up to a limit of £ 2,000 from the Development Fund, subject to certain conditions, including the appointment of a superintendent approved by the Board of Agriculture for Scotland. A small grant is also received from the Ayrshire Cattle Herd-Book Society.

The local record societies numbered 36 in 1914. The number of herds tested was 641, an increase of 60 herds as compared with 1913. The total number of cows tested was 26,424, an increase of 3,608. The recording season was in general 52 weeks, but was shorter than this in the case of some of the societies. The intervals between the tests varied from 14 to 28 days.

Although the cows tested represent only about 6 per cent. of the total number of dairy cows in the country, the resulting improvement affects other herds besides those tested, since from these herds good milk-recording sires are distributed to other dairy herds throughout the country. In the case of herds which have been systematically tested for several years a marked improvement in the average milk yield has been noted.

(From an article on "Milk Records" by William Stevenson, in the *Transactions of the Highland and Agricultural Society of Scotland*, 5th. Series, Vol. XXVII, 1914.)

* * *

2. — GRANTS TO LIVE-STOCK IMPROVEMENT ASSOCIATIONS. — A grant of approximately £40,000, for use in improving the live-stock in England and Wales was made to the Board of Agriculture in 1913, and it is anticipated that similar grants will be made for some years to come. In order to impress upon farmers the advantages of co-operation in obtaining good sires, grants in respect of stallions and boars will only be made to clubs and societies. The same procedure will be followed wherever possible in the case of bulls, but in districts where bull societies cannot be formed grants will also be made to individual breeders who are willing to place approved bulls at the disposal of their neighbours.

Grants will be made preferably to societies specially formed to take advantage of the scheme, but they may also be made to existing bull, stallion and boar societies. As the scheme is put forward specially in the interests of the smaller farmers, preference will be given to occupiers of agricultural holdings which either do not exceed 100 acres in extent or, if exceeding 100 acres, are of an annual value for purposes of income tax not exceeding £100.

For the provision of bulls grants to individual bull owners will not exceed £12 per annum. Grants to a society in respect of any one bull will not exceed £15 per annum. A society may provide a bull for the use of its members either by purchasing a bull and placing it in the custody of one of its members, or by arranging with the owner of a bull to place it at the disposal of the society on terms agreed between them. In the latter case, the society must guarantee the service of not less than 25 cows belonging to its members. The owner will be entitled under these circumstances (a) to a payment from the society of a sum not exceeding £12; (b) to a fee of not less than 2s. 6d. for each cow served, and (c) to have not more than 15 of his own cows served by the bull. If a society provide a bull in this manner, the grant of £15 made to it by the Board, together with a nominal subscription of (say) 1s. per member, would probably be sufficient to defray all expenses.

To societies which hire heavy horse stallions, no grants will be given if the service fee exceed £3 3s. In no case will a grant to a society exceed £80 for each approved stallion provided by it. Of this sum, not more than £40 may be a direct grant, the remainder being utilised, if necessary, for "assisted nominations." The value of an "assisted nomination" must not exceed half the service fee.

Grants for boars will be made to societies only and the amount for each boar will be £3 per annum. Where a society arranges with the owner of a boar to place a boar at the disposal of its members, it must guarantee the service of not less than 20 sows. The payment to the owner must not exceed £3 per annum; the service fee must be not less than 1s., and the owner may have not more than 6 of his own sows served by the boar. A subscription of 6d. per member, together with the grant, should be sufficient to defray all expenses.

Grants will also be made to milk-record societies whose members record the milk-yields of their dairy cows not less frequently than once a week and who employ a recorder to pay surprise visits to check, at least once every six weeks, the records taken. The amount of the grant will be half the expenses of the society up to £50 in respect of each whole-time recorder employed for every 20 herds in possession of the members.

(From the *Journal of the Board of Agriculture*, No 1, April, 1915).

* *

3. -- SOME AGRICULTURAL CO-OPERATIVE STATISTICS FOR 1913. -- We have had occasion, in a previous issue, to draw attention to the different methods of classification adopted by the various Government Departments and private societies which publish statistics of agricultural co-operation in the United Kingdom (1). In the statistics for 1913 compiled by the Labour De-

(1) *Bulletin of Economic and Social Intelligence*, September 1912, "Some Statistics of Agricultural Co-operation."

partment of the Board of Trade and published in the April number of the *Board of Trade Labour Gazette*, the agricultural operations of the societies are classed as "productive" or "distributive" and in the case of production figures are given, not only for the agricultural co-operative societies properly so-called (that is, co-operative societies which are composed of farmers and aim at obtaining higher prices for what their members produce) but for the farming and dairying departments of the industrial co-operative societies, which are composed of consumers and aim at supplying their members with agricultural produce at reduced prices.

According to the computation of the Labour Department, there were 906 registered co-operative societies engaged in agricultural production and distribution in the United Kingdom in 1913. Of these 833 were societies engaged wholly in agricultural operations, 465 being engaged in the distribution of seeds, manures, implements, etc., and 368 mainly in the production of butter.

The 833 societies had an aggregate membership of 112,146, or an increase of 4.4 per cent. over the previous year, and of 85 per cent. over 1903. The total capital — share, loan, and reserve — amounted to £1,031,397, or an increase of 12.9 per cent. over 1912. The aggregate sales amounted to £6,070,260 or 9.2 per cent. more than in 1912. The profit amounted to £39,923, a decrease of £11,294 compared with 1912. They employed 3,295 persons and paid £162,673 in wages, as compared with 3,071 persons and £146,669 in wages in 1912.

In addition to the 833 societies mentioned, there were 73 industrial co-operative societies having farming and dairying departments. These departments employed 699 persons, and paid £38,616 in wages, and had sales amounting to £307,015.

The following table shows, for England and Wales, Scotland and Ireland respectively, the sales of all the 906 distributing and productive societies and departments in 1913.

	Agricultural Distributive Societies	Agricultural Productive Societies and Departments	Total	
			Amount	Percentage
	£	£	£	
England and Wales	1,822,050	378,322	2,200,372	34.5
Scotland	417,742	285,988	703,730	11.0
Ireland	691,811	2,778,332	3,473,173	54.5
UNITED KINGDOM	2,934,633	3,442,642	6,377,275	100.0

The *Labour Gazette* presents a comparative statement of the sales of all classes of agricultural co-operative societies and departments in each year since 1903. We shall content ourselves with extracting the figures

for 1903 and 1913, showing the growth of agricultural co-operation in ten years. For agricultural distributive societies the figures are given for each of the three Kingdoms:

Year	Agricultural Distributive Societies					
	England and Wales		Scotland		Ireland	
	Number of Societies	Sales	Number of Societies	Sales	Number of Societies	Sales
		£		£		£
1903	48	87,970	2	42,760	136	393,542
1913	242	1,822,050	73	417,742	150	694,841

For production only the total figures for the United Kingdom are given:

Year	Special Farming and Dairying Societies		Farming and Dairying Departments of Wholesale and Retail Industrial Distributive Societies		Total Agricultural Production by all Classes of Societies	
	No. of Societies	Sales	No. of Societies	Sales and Transfers	No. of Societies	Sales
		£		£		£
1903	225	1,181,056	51	427,594	276	1,608,650
1913	368	3,135,627	73	407,015	441	3,442,642

It should be noted that the goods produced by the productive departments of industrial co-operative societies are usually not sold direct, but are transferred to the distributive departments.

SWITZERLAND.

1. — THE WORK OF THE "CO-OPERATIVA AGRICOLA TICINESE". — The "Co-operativa Agricola Ticinese" (*Ticino Agricultural Co-operative Society*) has reached the tenth year of its life and, in spite of the serious crisis in trade generally and in the agriculture of Ticino in particular, even in 1914 it did a total business which renders it worthy of every confidence on the part of the farmers, whether they consider it as a means for favouring

agricultural development or as one of the many investments for their capital open to them.

Founded in 1905, in its first year it did a total business of 106,499 frs. which increased threefold in the following year, and exceeded 500,000 frs. in 1907; the business continued to increase to 1,124,000 frs. in 1911 and to the maximum amount of 1,340,233 frs. in 1913, remaining about the same in 1914, when it was 1,146,364 frs.

Examining the work of the society in its details, we find that it was very active in the purchase and sale of grain; in 1914 it sold grain to the amount of 485,475 frs. as compared with 527,584 frs. in 1913. The decrease is to be attributed to the crisis occasioned by the war and the monopoly decreed in consequence by the Confederation. The sales of hay and straw were also reduced and did not exceed 283,475 frs. in amount, as compared with 418,711 frs. in 1913. There was also a reduction in the sales of chemical manure, certainly connected with the bank failures, which have led the farmers to avoid all expenditure not absolutely necessary; the sale of manures decreased in amount from 55,120 frs. to 48,342 frs. The sales of sulphate of copper and sulphur were large, as were also those of salt for the consumption of sheep. The sales of agricultural implements and machinery, so important for the progress of agriculture, were again less than in 1913; in 1914, they had decreased from 33,089 frs. in amount to 31,024 frs. The sales of potatoes were excellent, and alone amounted to 69,565 frs. as against 10,621 frs. in 1913.

Among the various branches, that of Bellinzona, keeps the first place, its sales alone exceeding 500,000 frs. in amount. Then come Lugano with 209,539 frs., Biasca with 108,654 frs., Mendrisio, Locarno, Airolo, Ambri and Novaggio with smaller amounts. The accounts were closed with a net profit of 10,679 frs., which allowed of a dividend of 4 % to the shareholders and of 1 % to the purchasers.

(Summarised from "*Agricoltore Ticinese*," Year XLVII, No. 12, March 20th., 1915).

* * *

2. — STATE SUBVENTIONS TO THE AGRICULTURAL CO-OPERATIVE SOCIETIES IN 1914. — We reproduce from the recently published Report (1) of the Swiss Department of Agriculture, Industry and Commerce, on the business done in 1914, the information relating to the State subventions to agricul-

(1) Bericht des schweizerischen Handels-, Industrie- und Landwirtschaftsdepartements über seine Geschäftsführung im Jahre 1914. IV. Abteilung Landwirtschaft (Report of the Swiss Department of Agriculture, Industry and Commerce on the Business done in 1914. IVth Section. Agriculture) 52 pp.

tural co-operative and other societies and the subventions for improvement of the soil. Out of a credit of 32,000 frs., a subvention of 24,531.61 frs. was assigned to the Swiss Farmers' Society; out of a credit of 17,000 frs., 16,177 frs. were granted to the Federation of Agricultural Associations of Latin Switzerland; to the Agricultural Society of Canton Ticino, 4,500 frs. were granted corresponding with the amount of the credit for the purpose; the Swiss Society for Alpine Economy received a subsidy of 9,000 frs. corresponding with the credit; the Swiss Horticultural Society received 3,294.90 frs. out of a credit of 9,500 frs. To the Swiss Peasants' Federation a subvention of 40,000 frs. was granted.

NOTICES OF SOME RECENT PUBLICATIONS RELATING
TO CO-OPERATION AND ASSOCIATION.

ARGENTINA.

AUBONE (D. R.) y ZAVALLA (C. M.): LAS BODEGAS COOPERATIVAS EN EL MEDIO
DE FRANCIA, PROYECTO DE APLICACIÓN EN LA REPÚBLICA ARGENTINA (*Co-operative Wine
Societies in the South of France, Proposal for the Application of the System in the Argentine
Republic*). "Boletín del Ministerio de Agricultura". Nos. 1-2. Buenos Aires. January,
and February, 1915. pp. 44-85.

The above work is the outcome of studies made in Europe by the agricultural engineers, Aubone and Zavalla, in behalf of the Argentine Government.

The authors, after having given a brief account of the organisation and working of the French co-operative wine societies under their two forms (as civil societies and as limited liability societies with capital unlimited), show the advantages the Argentine viticulturists would derive from a similar organisation, in view of the difficulties of their situation, rendered more acute by the present crisis in viticulture and winemaking in the country.

The serious crisis through which this industry is now passing is due to three principal causes; the formation of a kind of trust by the large societies; the insufficient repression of frauds, and, finally, the excessive number of middlemen between the producer of the grapes and the consumer of the wine.

The authors, considering that the progress of viticulture and winemaking entirely depend on the solution of the problem of the organisation of production and sale, think that co-operative organisation would enable the producers: 1st. to compete successfully with the large societies above mentioned; 2nd. to combat fraud by sale of pure products without any increase in their price; 3rd. to form reserve stocks so as to regulate prices, and 4th. to eliminate the middlemen by means of the foundation of warehouses for sale in the centres of consumption.

With regard to the practical application of this system of organisation in the country, the authors consider that as there is no special law governing co-operative societies in Argentina, the associations might take the form of civil societies. In any case, they draw the attention of the authorities to this

important matter, in order that it may be settled by special legislative provisions, as well as to agricultural credit which would be of valuable assistance in the constitution of co-operative societies.

At the end of the book, sample rules for co-operative societies are given, modelled on those of the French societies and adapted to the conditions of viticulture and winemaking in Argentina.

UNITED STATES.

MEEKER (ROYAL), Commissioner of Labour Statistics, and WELD (L. D. H.), University of Minnesota: *MARKET DISTRIBUTION*. Two papers contributed to the Twenty-seventh Annual Meeting of the American Economic Association, Princeton, N. J. (December, 1914) "American Economic Review" (Supplement), March, 1915.

Market Distribution was one of the subjects brought under discussion at the last annual meeting of the American Economic Association, and the two papers submitted are of more than passing interest.

Both papers deal with the marketing of agricultural produce, and in both of them a serious attempt is made to analyse the problem and discover precisely what is wrong with the present system of distribution. In a sense, too, both papers are a complete vindication of the middleman -- that is to say, of the honest middleman -- in the business of distributing farm products. "The middleman", Mr. Meeker says, "may be eliminated, but the functions performed by him cannot be eliminated. If the grocer does not come between the farmer and the consumer, then either the farmer or the consumer has to play grocer." As neither the one nor the other has time to play grocer it becomes necessary to employ someone else. This seems fairly evident; but as a matter of fact it is a truth very frequently overlooked.

While Mr. Meeker rightly insists upon the useful function performed by the middleman he admits that the waste which occurs in the present system is stupendous, or as he puts it, "The lack of co-ordination in distributing commodities is almost perfect." He makes two principal suggestions for improvement, -- the organisation of the farmers into local co-operative associations, and the introduction of what he calls a 'flat' or 'postal' rate for the transport of agricultural produce. Briefly, this last proposal is that equal quantities of the same product should be carried by the railways for a fixed charge, irrespective of distance, upon the same principle as that upon which letters are carried, and Mr. Meeker is frankly of opinion that food "is more important to social well-being than literature, especially the literature with which the United States mail-bags are stuffed."

As minor improvements he suggests that commission merchants might be required to take out a licence and to give bond, and that public

markets in which farmers could sell direct to consumers might be established in greater numbers. He points out, however, that the number of producers who can devote their time to selling to individual consumers is relatively very small, so that the establishment of markets for business of this kind will solve but a small part of the problem of distribution.

The second paper, contributed by Mr. Weld, is particularly interesting because of its careful analysis of the functions of the wholesale dealer. Mr. Weld calls attention to the fact that the selling process has until recently been almost entirely neglected by economists, who have persisted in concentrating their attention upon the factory industries. He points out, too, that economists who teach that in manufactures, efficiency can only be reached through specialisation, are filled with righteous indignation upon discovering that the selling process is in the hands of specialists, and that there are even different types and grades of such specialists.

Mr. Weld determines what functions the wholesale receiver has to perform by considering the reasons why country shippers do not sell direct to the retail stores in the towns. He finds: (1) that the quantity sent at one time by the local shipper (who wishes to secure the greatest economy in freight charges) is too large for the retailer to handle; (2) that shipments from any one locality vary in quantity from shipment to shipment and for different times of the year; (3) that the quality of the produce sent by the local dealer is very variable; (4) that business relations between retail stores and country shippers are difficult to establish; and (5) that retail dealers are notoriously slow payers. It is clear that between the country shipper and the retailer there is room for at least one wholesale dealer. Mr. Weld is even prepared to assert that in some cases where at present there is but a single class of wholesaler it would be economical to establish two classes and distribute the wholesaler's functions between them. He sees clearly, however, that there is much waste and many opportunities for fraud and sharp practice in the wholesale produce trade and he suggests as remedies for the chief defects, first, co-operation among producers, second, voluntary associations among dealers; third, government regulation, and fourth, education in the principles of economic selling.

The lack of precise information with regard to co-operative associations is somewhat strikingly illustrated in the two papers. Mr. Meeker says there are at present about 500 co-operative marketing associations in the United States, while Mr. Weld follows with the statement that there are now over 1000 co-operative marketing organisations in Minnesota, including creameries which also manufacture. If we deduct Mr. Weld's own figure—614—for the number of creameries, it appears, according to him, that there are more than 386 co-operative marketing associations in Minnesota alone, a figure which can hardly be reconciled with Mr. Meeker's estimate of "about 500" for the whole of the United States.

RUSSIA.

EBHARD (HANNES): *HUFVUDDRAGEN AF ANDELSVERKSAMHETEN I FINLAND: (Principal Features of the Co-operative Movement in Finland)*. Library of the Pellervo Society. Vol. 1. (2nd. edition). Helsingfors. Pellervo Society, 1915. 1 Vol. 16mo, pp. 152.

Under this title, the founder of Finnish co-operation, Prof. Hannes Gebhard, has just published a book, which gives at once a concise and clear account of the development of co-operation in Finland since its introduction in 1889, up to January 1st. of the present year, and is as practical a guide as possible for those desiring to found new co-operative societies in the country.

In the introduction the author briefly shows the advantages of co-operation and gives an account of its general development in the principal countries of Europe. Then comes a most interesting chapter relating the beginning of the movement in Finland and the successive stages of progress. The oldest co-operative society of the "Land of the Thousand Lakes" only dates from 1889. It was a distributive society and the results were not very encouraging. During the following ten years hardly a dozen new societies were founded in the country.

A complete change took place in 1899, that is to say with the foundation (on Professor Gebhard's initiative) of the "*Pellervo, Society for the Propagation of Rural Co-operation in Finland*", and the change was so sudden, so radical and so important that at present Finland, with its 2,300 various co-operative societies, for a population of 3,000,000, takes the fourth place among European countries in respect to the proportion of associations of this character per number of inhabitants. In fact, while Finland has a co-operative society per 1,400 inhabitants, the only countries in which the proportion is higher are Switzerland with one per 500 inhabitants, Denmark with 1 per 600 and Sweden with 1 per 1,100.

In the second part of his work, Prof. Gebhard deals with the local co-operative societies. He examines one after another all the various kinds of co-operative society to be met with in Finland. In each case he indicates the objects, the usual organisation and the conditions most favourable to development. On the basis of the experience acquired, ascertained by means of enquiries made by the Pellervo society, he shows the conditions of local economics and culture indispensable to ensure the success of each variety of society. Finally, for each group he gives a general statistical table showing the general development of the societies belonging to it and their situation on the 1st. of January of this year.

The third part of the little volume deals with the federations of local co-operative societies and the central institutions founded with the object of promoting the business of the societies. Finally, we find a bibliography, as complete as possible.

SERBIA.

SMITH (ADOLFE) : ZADRUGAS, THE STRENGTH OF SERBIA. In the "Contemporary Review", N° 592, April, 1915.

The writer of this article has had opportunities of studying at first hand the "Zadruga" system of Serbia and gives an interesting account of it. Comparing the Zadruga with the better known Russian Mir, he says: "The Mir is a municipality run on communistic principles; the Zadruga is only a family estate, but it is also run on communistic principles. If, however, the Zadruga is smaller, poorer, weaker, it is much better, much more thorough in what it does, and, in comparison with its size, stronger."

The Zadruga is a patriarchal institution. Whether large or small, it consists exclusively of members of one and the same family. It varies greatly in size and wealth, but all are more prosperous than their neighbours who own and work an equal amount of property for their individual advantage. The success of the Zadruga is due to discipline and sub-division of labour. Each woman or man, boy or girl, is given the work for which they are best fitted. When the harvest is gathered in, the annual settlement takes place. What produce is not needed for home consumption is sold, the taxes are paid, supplies of necessities are bought, and, out of what remains, it is possible to provide such luxuries as ornaments for dresses or embroidery for men's waistcoats. If difference of opinion arises the patriarch decides whether the matter in dispute "is suitable to his house."

"Few will question", says the writer of the article, "the advantage of co-operation, combined with the sub-division of labour. The difficulty is so to manage things as to maintain harmony among those concerned. How is it possible to deal with the envy, the jealousy, the personal ambition of the would be co-operators? In the Serbian Zadrugas, these innate difficulties are met by the patriarchal system. To prevent discussions and wrangling, absolutism is accepted. Sometimes it may happen that, for the sake of his unquestioned ability, a younger member of the family is elected chief, but, generally speaking, it is the eldest who rules."

Part II: Insurance and Thrift

FRANCE.

A NEW BILL ON SOCIAL INSURANCE.

OFFICIAL SOURCES:

PROJET DE LOI ADOPTÉ PAR LE SÉNAT DANS SES SÉANCES DES 4 ET 12 MARS 1915, portant création d'un livret d'assurances sociales et modification de la législation de la Caisse Nationale d'Assurance en cas de décès (*Bill, passed in the Senate on March 4th. and 12th., 1915, for the Institution of Social Insurance Pass Books and Amendment of the Laws regarding the National Life Insurance Society*).

RAPPORT FAIT AU NOM DE LA COMMISSION D'ASSURANCE ET DE PRÉVOYANCE SOCIALES (Chambre des Députés) chargée d'examiner le projet de loi ci-dessus (*Report of the Commission of Social Insurance and Thrift (Chamber of Deputies) appointed to examine the above Bill*) presented by M. André Honnorat, Deputy. Schedule, No. 912 — Session of May 11th., 1915.

On March 4th. and 12th., 1915 the Senate passed a bill the object of which twofold: on the one hand, it institutes social insurance pass books; on the other hand, it introduces some amendments in the law regulating the National Life Insurance Society: by allowing the fractional payment of life life premiums, reduction of the term for the insurance to take effect, extension of the entire and mixed life insurance policies to the cheap dwelling house and popular credit societies, reduction of the age for first insurance from sixteen to twelve years, right of option for applicants for fixed insurance between a probationary period and the medical visit, extension of the benefits of the provisions of article 3 of the law of March 31st., 1910 on insurance of deferred annuities to the advantage of the public administration of the State, the departments, the communes and public establishments.

A few brief explanations will suffice to show the importance of these various measures.

§ I. THE SOCIAL INSURANCE PASS BOOK.

Among the various forms social thrift can take, insurance is certainly that to which the saving most frequently have recourse; thanks to the combination of the effects of capitalisation and mortality, it, in fact, makes results possible that could not be attained by a simple investment of capital.

Long ago the French law took into account the considerable advantage the working classes could derive from thrift and efforts have been multiplied, above all in recent years, to popularise and develop the idea of insurance among the people. This is the origin of the successive developments given to the two principal national thrift institutions: the National Old Age Pension Fund and the National Life Insurance Society, the object of the first being principally to supplement the resources of those whose age prevents their working, and that of the second to insure an amount of capital either at death of the policy holder or at his reaching a certain fixed age.

But, to-day, whoever desires to obtain the benefits offered by both the National Old Age Pension Fund and the National Life Insurance Society, for example to obtain an annual pension and a fixed sum, must address himself to two institutions, make two applications, sign two contracts, pay at different moments different premiums, which is all the more anomalous as both institutions are guaranteed by the State and administered by the same establishment, the Deposit and Consignment Bank.

The object of the social insurance pass books is to put a stop to the anomaly which may be a hindrance to those hesitating about insuring. With their introduction, the complications due to the two services of the National Old Age Pension Fund and the National Life Insurance Society disappear: the Deposit and Consignment Bank will receive the various payments of the depositors directly, enter them in one and the same book, itself distributing the amount between the two societies according to the instructions of the depositors.

For the easier distribution of the premiums, the amount of the payment is fixed at 12 francs or a multiple of 12 frs., a year, in the case of each kind of insurance.

A decree will also decide through which agents of the State payments are to be made, and these will be of course the same as those who receive amounts for the National Pension Fund and National Insurance Society; general treasurer-paymasters, special receivers of finance, collectors of direct taxes and post masters; the applicant will thus find numerous offices at his disposal and this will facilitate the work.

Thus, provided with a means which will enable him without expense and with a minimum of formalities to obtain the most varied combination of the benefits of insurance, the depositor will find that both he himself and his family have the most valuable and the most satisfactory security for the future.

Shall we consider here the results to be obtained under these conditions for a policy holder of small means? Here are, for example, the figures given by M. Henry Chéron in his statement of the grounds for the bill laid before the Senate:

"To obtain at twenty five years of age a capital of 1,336 frs., representing the fifth part of the value of a house of more than 6,500 francs value, which the policy holder may acquire without delay on application to a real estate credit organisation, — and then insure for an amount of 1,158 fr. at his death, with a pension of 416 frs. at sixty years of age, which, with his workman's pension, will form a total of more than 720 frs., he need only pay, from his birth to his sixtieth year an amount of 48 frs. a year, or less than 15c. per day (15 centimes per day would be 54 frs. a year). Thus, with a saving of his small sum on the part of the father of the person insured and the person himself, the following results would be obtained:

The policy holder would become at twenty five years of age owner of the house, except that he must pay the remaining four fifths of the price in annual instalments amounting to less than an ordinary rent;

If he dies between the age of twenty five and sixty, his heirs will become all proprietors of the house, with no annuities to pay. Further, the widow and children will receive an amount of nearly, 1,200 frs., without the amount to which they could lay claim in virtue of the law on workmen's pensions being affected;

Finally, when the person assured attains sixty years, his workman's pension, if he has paid instalments since his schooldays, will amount to 20 francs a year, or about 2 francs a day.

It need not be said that as the life insurance policy in the National Society is taken out for the entire life, even if the policy holder dies before drawing his pension, the amount of 1,158 frs. will be paid to his widow, if he has made over the insurance to her and she will be able to convert it into an annuity to add appreciably to her pension.

These are the results which the social insurance pass book will obtain by means of payments which, added to the contributions to the workmen's pensions, according to the law, will amount in all to less than 15 centimes a day, up to the completion of the policy holder's eighteenth year and to 6 centimes a day from that date up to the completion of his sixtieth year."

§ 2. AMENDMENTS TO THE LAW ON THE NATIONAL LIFE INSURANCE SOCIETY.

(1) *Fractional Payments of Life Insurance Premiums.* — The decree of April 17th., 1900, laying down the conditions under which the Life Insurance Society may organise mixed insurance according to the law of July 7th., 1897, in its 8th. article authorizes policy holders to pay their annual premiums, in half monthly, quarterly or monthly instalments. Previously, life insurance had been regulated by article 2 of the law of July 11th., 1868,

which only contemplated annual premiums. The new text proposed aims at abolishing a difference of treatment neither to be excused on the ground of justice nor of facts.

But to prevent the National Life Insurance Society incurring risks out of proportion to the premiums paid, it has appeared necessary to reduce the term of a year the policy holders are allowed in which to pay their premiums. This term is reduced by half if at least one premium representing six months' insurance has not been paid. The new text applies both in the case of life and of mixed insurance.

(2) *Reduction of the Term for the Insurance to take Effect.* — Several laws posterior to that of 1868 have made medical examination either compulsory for those insuring with the National Insurance Society, in the case of mixed insurance, or optional for them in the case of life insurance. The object of the reform was to give the policies immediate effect and to relieve the policy holders from the necessity of the two years' probation instituted by article 3 of the law of July 11th., 1868. But the probation was not absolutely suppressed. It is still permitted in the case of all those who do not wish to submit to the formalities of a medical examination who are allowed liberty of option by the law. Only, owing to its very conciseness, the text of article 3 of the law of 1868 calls for amendment. In fact, it runs as follows: "any insurance policy taken out less than two years before decease is null and void." It is a formal, inexorable rule. It applies even in case of violent death through accident, which is an exaggeration. The bill amends this article by adding the final clause "except in case of violent death due to accidental bodily injury."

The same article is also further amended by the bill, in regard to the consequences of the suspensions of the insurance, first on account of the probation, and then of exceptional causes to be stated in the policies (suicide judicial sentence etc).

In case of suspension of insurance, the 1868 law provides that, on decease, the payments made shall be returned to the heirs with 4 % simple interest; the text of the bill, on the contrary, proposes their repayment without interest. In fact, by granting interest, the National Society more especially encourages all those in precarious health to insure by means of the system of probation, for valetudinarians have nothing to risk in this way; if they live for two years the insurance takes effect; if they die, their heirs receive the premiums with interest; so there is no chance of loss for them and thus a selection is made to the detriment of the National Bank.

The new rule is, therefore, far more rational. It is well known also that insurance companies, in similar cases, for example in the case of suicide when suffering from mental derangement, only repay the reserve if the premiums have been paid for more than three years; article 54 of the bill on insurance policies has made this use the unvarying rule.

Let us add that in future, when the sum assured is less than 500 francs the period of probation is reduced to one year.

Finally, and with good reason, it is provided that in no case may the amounts repaid exceed the amount assured at death.

(3) *Transfer of the Entire and Mixed Life Insurance Policies to the Cheap Dwelling House and Popular Credit Societies.* — The laws on cheap dwelling houses, real estate credit, agricultural and maritime credit, contemplate, in the case of borrowers who apply to an establishment authorised as a popular credit organisation, the obligation or the power to take out a temporary insurance policy at the National Insurance Society, so as to guarantee the death of the deceased, the payment of the whole or of the balance of the instalments of their debt. If the borrower already holds a mixed insurance or a life insurance policy, it is natural that he should be allowed to devote the amount of his insurance to the repayment of his debt, for, otherwise, he would either be forced to support the burden of a double insurance or to abandon his hope of a loan. By the proposed amendment, the borrower will only have to take out a temporary life insurance policy corresponding to the excess of the loan over the amount assured on his policy in force.

(4) *Lowering of the Minimum Age for Insurance from 16 to 12 Years.* — Article 5 of the law of July 11th., 1868 provides that no one may insure unless he is at least sixteen years old.

On the other hand, the law of December 8th., 1904 only forbade the insurance of the lives of children under 12 years of age.

As certain combinations of insurance, such as mixed insurance, are the more advantageous the lower the age at which the insurance commenced, it seemed logical to bring the law of 1865 into harmony with that of 1904.

(5) *Extension of the Two Years' Probationary Term in the case of Mixed Insurance.* Article 2 of the law of July 17th., 1897 absolutely requires that applicants for mixed insurance should submit to a medical examination. This compulsory examination is so much objected to by some applicants that it deters them from insuring. As it is altogether desirable that insurance should spread as widely as possible, it seems best to give the applicants in every case the choice between medical examination and the probationary term provided for by law in the case of life insurance.

(6) *Policies taken out by the Public Administrations of the State, the Departments and the Communes, as well as by Public Institutions.* — According to article 3 of the Law of March 9th., 1910 "the limitation of the amounts guaranteed by the National Insurance Society are not applicable in the case of life insurance for the purposes of the execution of a law or decree establishing, in the case of a particular staff, conditions for pension or allowances in case of death. The capital thus assured is altogether untransferable and inalienable; transfer, however, may be made on the condition of its creating no obstacle to the carrying out of the provisions of the law or decree by virtue of which the insurance policies are taken out."

Further, in case of insurance of deferred annuities, the period may be less than five years, when the term in which the insured will become superannuated is less than five years. In case of life or mixed insurance, dispensation from the formalities in connection with the probationary stage or from medical examination, for the whole or a portion of a particular staff, may be granted by joint decree of the Ministers of Labour and Finance, after consultation with the Superior Committee of the National Insurance

Societies, when it is recognised that the dispensation will involve no cost for the society.

Similarly, the law of March 27th., 1911 provided that the pensions, granted by the public administrations through the National Old Age Pension Fund for their agents not benefiting under the law of June 9th., 1853 on civil pensions, or their consorts, shall not be limited to 1,200 frs. per head fixed by article 6 of the law of July 20th., 1886. On the other hand, a bill has been presented to extend the benefits of the law of March 27th., 1911 to the agents of the public, departmental and communal administrations and those of the public institutions and certain institutions of public utility.

The relations established between the National Old Age Pension Fund and the National Life Insurance Society must have it for their natural consequence to establish harmony as far as possible in these various cases.

Article 7 of the bill establishes this harmony, providing that the provisions of article 3 of the law of March 9th., 1910 will be applicable in the case of insurance policies taken out by the public administrations of the State, the departments and the communes for the benefit of their agents not benefiting under the law of June 9th., 1853 on civil pensions, and for their consorts, even if, contrary to the provisions of that article, these policies are not taken out in accordance with a law or decree.

A final paragraph provides similarly for the case of public institutions and institutions of public utility, which, by analogy, will be admitted to these benefits by the Superior Committee of National Life and Accident Insurance Societies.

It is to be expected that the institution of the social insurance passport will be of valuable assistance in diffusing ideas of thrift, through the permanent proof it will give of the advantages of the combination of pension and life insurance. These books will be in the hands of their owners, an excellent means of propaganda.

The amendments made in the laws on the National Life Insurance Society can only contribute to the progress of this institution. So we can only rejoice to find that the Committee of the Chamber of Deputies, entrusted with the examination of the bill already approved by the Senate, has proposed its adoption pure and simple.

RUSSIA.

INSURANCE SOCIETIES OF INTEREST FOR RURAL ECONOMY IN FINLAND.

From the annual official reports of the Government Inspector of Insurance societies we learn that at the beginning of 1914 the risks undertaken in Finland were the following: (1) life, (2) accidents, (3) fire, (4) transport, (5) windows, (6) death of livestock, (7) theft, (8) strikes. Some societies also undertook (9) fidelity and (10) lease risks and (11) reinsurance.

Of all these eleven forms of insurance, only livestock insurance is strictly and exclusively agricultural in character. Nevertheless, in view of their very considerable importance for the whole rural and economic life of the country, we shall consider in this article also the statistics collected relating to life, fire and accident insurance.

Unhappily, for reasons purely local as well as accidental and temporary, this study cannot be made as complete as we should desire. In Finland, insurance is undertaken by three different groups of societies: those that may be called Finnish societies in a national sense, Russian societies working in Finland, and foreign societies authorized for work. Now, as the Russian societies are exempted from the duty of sending regular reports of their work to the Finnish authorities, the official Finnish statistics cannot include figures for their work. On the other hand, as a result of the present war, it has not been possible to obtain the necessary information in the case of a large number of the foreign societies authorized to work in Finland.

Without going into unnecessary details, we shall endeavour approximately to fill the gaps due to the above causes, the comparative small importance of which will be clearly seen from the figures we give in our tables, which are all reproduced from the last official reports (1).

§ 1. LIFE INSURANCE.

In addition to some Russian societies, with the work of which we cannot deal, for the reasons indicated above, this branch of insurance is

(1) From the successive volumes of the "Försäkringsväsendet" (Insurance) in the large collection of the "Bidrag till Finlands officiella Statistik" (Contributions to the Official Statistics of Finland).

undertaken in Finland by five national Societies (1) and twenty foreign societies duly authorised (2). Its general progress in the course of the last twenty years is seen in the following table :

TABLE I. — *Progress made by Life Insurance in Finland between 1893 and 1913.*

Years	Total Amount Assured in Finnish "Marks" (*)				
	Finnish Societies	Foreign Societies	Total	Annual Increase	Average Amount Assured per Inhabitant **
1892	60,943,730	44,960,740	105,904,470	—	43.6
1893	67,853,141	47,872,685	115,725,826	9,821,356	47.3
1894	75,850,779	50,922,954	126,173,733	10,447,907	50.9
1895	84,804,732	53,829,455	138,634,187	12,460,454	55.1
1896	95,401,914	59,019,928	154,471,342	15,787,655	60.6
1897	104,961,120	63,487,522	168,448,642	14,026,800	65.1
1898	114,405,628	69,328,205	183,733,833	15,285,191	69.8
1899	124,007,670	71,078,106	195,085,776	11,733,833	72.8
1900	134,741,791	71,602,535	206,344,326	11,258,776	76.1
1901	145,426,491	71,957,310	217,383,801	11,039,475	79.3
1902	155,914,232	72,791,903	228,706,135	11,322,334	84.3
1903	168,827,353	73,827,923	242,655,276	13,949,141	86.4
1904	186,423,223	73,743,047	260,166,370	17,511,094	92.4
1905	205,314,008	74,038,823	279,352,831	19,186,461	99.8
1906	239,097,013	76,017,501	315,115,414	35,762,583	109.0
1907	278,727,664	77,276,365	356,004,029	40,888,605	121.3
1908	330,266,638	76,286,560	406,553,198	50,549,169	140.2
1909	398,285,359	70,654,847	468,940,206	62,387,008	156.9
1910	479,048,215	69,844,168	548,897,383	79,957,177	181.3
1911	575,037,744	67,228,014	642,260,758	93,363,375	203.6
1912	661,334,044	64,692,702	726,026,746	83,765,983	227.2
1913	735,226,942	—	—	—	246.0

(*) The Finnish Mark of 100 "penni", which must in no way be confused with the German Mark has the value of exactly one franc.

(**) The population of the country in 1911 was 3,115,197.

(1) That is to say, the society limited by shares, "Kaleva", founded at Helsingfors in 1874, the mutual society "Suomi", founded at Helsingfors in 1890, the mutual society "Fennia", founded at Åbo in 1905, the society limited by shares, "Salama", founded at Helsingfors in 1910, and, finally, the Mutual Society "Kataja", founded at Helsingfors in 1912.

(2) Of these, eight are Swedish, 4 British, 4 German, 2 American, 1 French and one Dutch.

The first conclusion we may draw from these figures is that Finland is one of the countries of the world in which the largest amount is insured in life per inhabitant; in Italy for example in 1912 the amount was only 1.43 frs. and even in Germany the amount (240 frs.) was less than in Finland.

It is not possible to ascertain precisely the number of the policy holders, as, in making out their returns, the insurance companies only take account of the number of *policies*, and one and the same person may be insured in several companies, or even take out several policies in the same company. Approximately, we may calculate the total number of policy holders about the end of 1913 at 350,000, a very large proportion of the population. The figure also tends to increase more and more rapidly, to judge by the following table showing the annual increase of the policy holders in the Finnish societies alone between 1904 and 1913.

TABLE II. — *Successive Increase in the Number of Policy Holders in the Finnish Life Insurance Companies.*

Years	Increase	Years	Increase
1904	5,302	1909	27,934
1905	5,545	1910	36,595
1906	9,033	1911	48,826
1907	10,982	1912	51,770
1908	22,633	1913	54,063

The specially rapid increase in the number of the policy holders since 1908 is due chiefly to the successive introduction, by four different companies, of *popular insurance* with reduced premiums payable weekly.

Apart from this special circumstance, the remarkably rapid progress of life insurance in Finland is due, partly to active and intelligent propaganda in favour of thrift, and partly to the fact that personal credit, which is highly developed in the whole country, requires, among other guarantees and securities, the insurance of the borrowers' lives.

One of the most characteristic features of the general development of life insurance in Finland is its consistent and progressive "nationalisation". We see in fact in Table I, that, while the amount of the capital assured in the Finnish companies is constantly increasing and remarkably rapidly, the amount assured in the foreign companies on the contrary has decreased regularly and rather remarkably since 1907.

In the case of the various forms of insurance of annuities, which we shall not consider here as being of minor importance for rural life,

the proportion of the Finnish companies is still more marked. In fact, on December 31st., 1913, the total amount of the annuities assured was

in Finnish companies	740,817	Finnish marks
„ foreign „	69,394	„ „
Total	810,211	„ „

To complete our account of life insurance in Finland, let us add, that on December 31st., 1912, approximately the amount of the capital assured in the Russian companies working in Finland was 10,000,000 Finnish marks. Taking this into account, we find the amount assured per inhabitant increased in 1913 to 249.1 Finnish marks, indisputably one of the highest averages in the whole world.

§ 2. ACCIDENT INSURANCE.

In the field of agricultural industry properly so called, accident insurance may be said to be non-existent. Since December 5th., 1895, it is true there has been a law in Finland "on the liability of employers for accidents befalling labourers engaged in their work", which came into operation on January 1st., 1898, but this law, intended almost solely for the protection of industrial employees, only applies to agricultural employees in quite exceptional cases. It has long been contemplated extending its beneficent effects to agricultural labourers, but it has not yet been possible to realise the idea, for reasons which cannot be discussed in this article.

Under these conditions, we shall limit ourselves to indicating below the organisation of this branch of insurance, giving a few quite general figures relating to it.

First of all in regard to the workmen's insurance rendered compulsory by the law of which we have just spoken, the State has hitherto not had to found an official institution for the purpose. The private institution seem in fact to satisfy the masters' needs completely.

Since the new provisions of the law came into force, the two Finnish Companies, limited by shares, "Patria" and "Kullervo" have obtained authorisation to issue policies in terms of the law of December 5th., 1895. Their example has been in turn followed by a third Finnish Company, limited by shares, the "Providentia", three Russian Companies, and finally by a Swiss one (Schweizerische Unfall-Versicherungs-Aktiengesellschaft in Winterthur). On the other hand, the heads of businesses have organised mutual societies for the purpose. At present, there are altogether six of these, five only for employers in a special branch of industry, whilst the sixth, the General Mutual Society, "Sampo" is not restricted to any one form of industry.

We give below the principal figures for this branch of insurance since the coming into force of the law of 1895; that is to say since 1898

Year	Number of Businesses Employ- ing Workmen	Number of Workmen Occupied in the Year	Total Real Wages of Workmen in Finnish Marks	Employers' Expenses in Finnish Marks				Per Work- man per cent of Average Wages
				Total Reduced (1)	Premiums	Claims Paid Directly	Total	
1898	1,394	69,001	50,000,000	40,000,000	647,992	20,008	668,000	14.89
1899	1,862	67,074	48,633,416	39,916,651	651,241	91,559	742,791	11.07
1900	1,820	67,649	51,971,936	41,529,106	645,541	96,647	742,188	10.97
1901	1,883	61,253	47,542,914	38,037,403	584,258	91,375	675,633	11.19
1902	1,963	58,753	51,201,328	40,089,297	598,543	91,613	690,156	11.74
1903	2,384	66,428	54,235,778	43,235,475	681,311	91,625	772,936	11.64
1904	2,469	71,598	59,963,337	49,103,207	711,973	81,737	793,710	11.20
1905	2,468	73,436	63,274,453	54,728,600	696,544	82,942	779,486	10.62
1906	2,707	79,991	69,896,323	59,196,278	757,953	110,500	867,553	10.85
1907	2,921	92,182	86,394,160	74,251,293	997,084	118,600	1,115,684	12.11
1908	3,003	93,694	89,370,576	73,267,360	1,079,841	114,400	1,194,241	12.75
1909	3,290	100,688	92,845,645	77,242,145	1,051,000	100,700	1,151,700	11.44
1910	3,199	100,206	93,949,203	75,397,312	1,034,997	128,200	1,163,197	11.60
1911	3,625	107,880	104,787,687	81,301,513	1,221,369	135,200	1,356,569	12.56
1912	4,210	123,282	112,164,807	88,571,937	1,285,525	141,800	1,427,325	11.58
1913	4,448	133,536	123,306,749	96,556,346	1,427,744	164,300	1,592,744	11.92

(1) That is to say, portion of wages considered for the purposes of insurance.

In 1913 the figures for the insurance work were as follows for the various classes of Society :

	Businesses	Labourers	Premiums Marks
Finnish Mutual Societies	1,885	71,454	766,18
Finnish Societies Limited by Shares	2,535	60,781	636,99
Russian and Foreign Societies	28	1,301	24,62
Total	4,448	133,536	1,427,79

To obtain an accurate idea of the expenditure the employers have to support in accordance with the provisions of the law, the total amount of the premiums given above must be increased by that of the claims of temporary nature, paid immediately by the employers, without the intervention of the insurance societies. We have no accurate statistics of these but we may approximately estimate this additional sum at 164,300 Finnish marks. The total expenditure for insurance would then be 1,592,090 Finnish marks and the total amount of the legal liability of the master would then be 1.29 % of the total amount of the wages really paid to the labourers.

Let us now consider the claims paid by the accident insurance societies in 1913. We show the amount in the following table, giving under the heading "claims paid once for all," the total amount paid according to the provisions of the law in capital sums instead of in annuities. The law in fact authorises the commutation of annuities of less than 20 marks in this way, on condition, however, that the claimant expresses himself satisfied with the capital sum offered by the insurance society. Under the heading annuities we show the annual amount for which annuity policies have been issued.

Classes of Claims	Workmen Compensated	Finnish Marks
Compensations of temporary character (less than 120 days)	3,408	195,2
Compensations for periods of more than 120 days	321	30,3
" paid in capital sums	491	86,8
" paid in annuities	4,491	452,08
Total		764,6

The annuities being paid in December, 1913 were as follows:

To Invalids	3,564	pensions of	347,942	marks in
" Widows	395	" "	55,574	"
" Children	556	" "	36,056	"
Total			439,572	"

The average annuity awarded in Finnish marks was in various years under :

Years	Invalids	Widows	Children
1900	86.53	139.15	61.11
1905	94.81	137.86	62.09
1910	95.22	139.61	64.29
1911	97.01	140.37	65.56
1912	96.72	140.97	65.97
1913	97.64	140.69	64.85

§ 3. FIRE INSURANCE.

Fire risks are undertaken in Finland both by societies limited by shares and by mutual societies. On December 31st., 1913, there were 12 of the former, four of them Finnish societies (1), five Swedish, and three British. The Mutual Societies, all, without exception, national, were divided into 70 classes for the purposes of the official statistics, that is to say: the "large" mutual societies the sphere of action of which extends over the whole country, or at least beyond one province, and the "small" mutual societies, strict or parochial societies, the sphere of which is limited, if not strictly to the territory indicated in their title, at least to an area not exceeding the limits of a province.

Fire risks are further undertaken, by certain Russian companies limited by shares, but, for reasons indicated in our opening paragraphs, the official Finnish statistical returns on which this article is based, were in no position to give more than an approximate account of their work.

The general progress between 1897 and 1914, the total amount assured and its distribution among the classes of fire insurance societies in Finland are seen in the following table, where the total amount is shown in Finnish marks as it was on the 31st. of December of the different years.

(1) "Fennia", "Pohjola", and "Imatra" at Helsingfors and "Vellamo" at Vasa.

We shall give now some quite general information in regard to the total business done by the various fire insurance societies in Finland in 1913.

As regards the societies limited by shares, whether Finnish or foreign, without deducting the proportion of the reinsurers, the total amounts of premiums collected and claims paid were as follows :

	Premiums (Finnish Marks)	Claims (Finnish Marks)
Finnish Societies.	2,988,747	1,906,993
Foreign "	963,606	589,060
Total	3,952,351	2,496,053

The losses here represent not less than 63.2 % of the total amount of the premiums, a quite exceptional percentage due to circumstances it would take too long to mention here. Let us limit ourselves to stating that in the last ten years the average amount of the losses was only 50 % of the total amount of the premiums.

The working expenses of the Finnish societies limited by shares amounted in the same year to 367,773 marks or 12.3 % of the amount of the premiums collected and about 36 centimes per 1,000 frs. of assured capital.

As regards the large mutual societies, the amounts assured by them at the end of 1913 came altogether to 1,931,195,924 Finnish marks, an increase of 131,785,905 mks. on the previous year. The premiums collected by the societies amounted to 4,954,402 mks. and the claims paid to 3,973,679 mks. Though considerably higher than the average, the claims paid by these societies have been proportionally less than those paid by the societies limited by shares. The working expenses, finally, of the eighteen societies included in this class amounted to 863,649 marks.

Let us now consider those fire insurance societies, which, on account of their almost exclusively rural character, have the greatest interest for us, that is to say the small district or communal mutual societies.

On January 1st., 1913, there were in all Finland 284 societies of this class, 11 of them in the Province of Nyland, 42 in that of Åbo, 10 in that of Tavastehus, 50 in that of Viborg, 23 in that of S. Michael, 30 in that of Kuopio, 73 in that of Vasa, and, finally, 35 in that of Uleåborg.

The total amount of the policies issued by these 284 mutual societies was (1) :

at the end of 1911.	870,930,044	Finnish marks
" " " " 1912.	929,163,142	

(1) The most recent statistics as yet published regarding the small mutual fire insurance societies are those for 1912.

The amount of the policies issued by the mutual district or communal societies formed the following proportion of the total amount of the fire insurance policies in Finland.

<u>1897</u>	<u>1900</u>	<u>1905</u>	<u>1910</u>	<u>1912</u>
23.4 %	22.9 %	23.5 %	22.2 %	23.4 %

Of the total amount assured in these societies, 68.3 % represents real estate, and 31.7 % personal estate and stock.

On January 1st., 1913 the total number of insurance policies issued by these societies was 307,703 or 13,498 more than in the preceding year. Dividing the total amount of the policies by their number, we obtain as the average value of the policies issued by the small mutual societies the amount of 3,020 marks, which alone shows that it is really the small farmers and the peasants who principally insure with these societies.

In 1912, the total number of losses compensated by these societies was 1,762 and the total amount of the claims corresponding was 1,134,466 marks, or an average of 643.28 marks per claim. The claims for real estate appeared as 812,314 marks or 71.6 % of the total, those for personal estate as 322,146 marks or 28.4 % of the total.

The considerable progress made in rural buildings, and the adoption of precautionary measures under the influence of the very active propaganda of the insurance societies is shown in the following table, in which the annual number of fires is given, and the amount of loss resulting per million of Finnish marks of the average amount of all the policies issued in the year.

TABLE V. — *Number of Fires and Amount of Damage per Million of Marks of the Average Amount of Insurance Policies Issued by the Small Mutual Societies.*

<u>Years</u>	<u>Fires</u>	<u>Damage</u>	<u>Years</u>	<u>Fires</u>	<u>Damage</u>
1897 . . .	1,220	3.7	1905 . . .	1,449	2.7
1898 . . .	1,165	3.3	1906 . . .	1,512	2.6
1899 . . .	1,247	3.2	1907 . . .	1,345	2.2
1900 . . .	1,282	3.1	1908 . . .	1,680	2.6
1901 . . .	1,480	3.4	1909 . . .	1,547	2.2
1902 . . .	1,414	3.0	1910 . . .	1,560	2.07
1903 . . .	1,304	2.7	1911 . . .	1,625	1.97
1904 . . .	1,435	2.8	1912 . . .	1,762	1.96

In 1912 the number of claims paid per thousand policies was 5.7. The causes of the fires in the year were as follows :

138 cases, or 7.8 % of the total, natural causes (lightning, spontaneous combustion etc.);					
342	»	19.4	»	»	defects in construction ;
413	»	23.4	»	»	negligence ;
47.	»	2.7	»	»	crime ;
169	»	9.6	»	»	various other causes ;
653	»	37.1	»	»	causes unknown or uncertain.

In 1912 the average amount of loss per 1,000 marks was 1.26 marks. In previous years the proportion had been :

In 1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911
1.62	1.27	1.30	1.28	1.59	1.31	1.09	1.31	1.26	1.28	1.11	1.34	1.06	1.36	1.28

The working expenses in the small mutual societies only amounted to 0.22 m. per 1,000 m. of the capital assured, a considerably smaller proportion than in the case of the large mutual societies and the companies limited by shares. The small expense is largely due to the fact that to a very considerable extent the management of the district or communal societies is in the hands of officers elected by the commune, who receive no special remuneration for their work. Besides, in the case of these societies, the compensation fixed by the experts is most frequently paid directly by the party concerned and consequently does not figure in the society's accounts.

To give the reader an idea of the comparative importance and the progress made by the small mutual fire insurance societies in Finland, we classify these societies below according to the amount of their policies.

TABLE VI. — *Small Mutual Societies, according to the Amount of the Policies issued by them on the 31st. December of Various Years.*

Policies	Number of Societies in				
	1896	1900	1905	1910	1912
Less than 500,000 Finnish Marks	60	53	41	24	13
Between 500,000 and 1,000,000 Finnish Marks	80	73	65	51	38
" 1,000,000 " 2,000,000 "	71	83	85	68	67
" 2,000,000 " 5,000,000 "	34	61	81	116	122
" 5,000,000 " 10,000,000 "	5	5	10	22	34
More than 10,000,000	2	3	4	6	20
Total	252	278	286	287	284

§ 4. LIVESTOCK INSURANCE.

The increase in their business was as follows :

Premiums Received for Horses	295,835	marks
" " " Horned Cattle	45,139	"
Payments to Reserve Fund	24,222	"
Claims Paid for 836 Horses.	214,966	" (3 % of Total Livestock Insured.)
" " 281 Head of Horned Cattle	29,347	" (1.2 % "
Working Expenses and Commission	119,974	"

(1) See the Article "Livestock Insurance in Finland", in the number of this *Bulletin* for May, 1913.

In other words, the claims paid for horses amounted to 1.9 marks and those for horned cattle to 1.13 mks. on an average per 100 mks. assured. The average claim paid was 257.14 mks. per horse and 104.44 mks. per head of horned cattle.

At the end of 1912 there were altogether 111 small mutual livestock insurance societies, 30 of them only insuring horses, 4 only horned cattle, and 77 insuring both classes of livestock (1).

At that date, the general position of this class of societies was as follows :

Horses	32,634	insured for a total amount of	11,157,366	Finnish Mkks.
Horned Cattle	38,293	" " " " " "	4,023,928	" "
Small Livestock	" " " " " "	" " " " " "	21,065	" "
Total 15,202,359 Finnish Mkks.				

The comparative importance and the progress made from year to year by the small local societies will be seen in the following table, in which the figures indicate the number of societies belonging to each group.

TABLE VII. — *Progress and Distribution of the Small Livestock Insurance Societies in Finland according to the Amount of their Policies.*

Years	Amount of Policies									
	Less than 50,000 Marks		Between 50,000 and 100,000 Marks		Between 100,000 and 200,000 Marks		Between 200,000 and 500,000 Marks		500,000 Marks and more	
	Number	%	Number	%	Number	%	Number	%	Number	%
1905 . . .	10	17.9	13	23.2	19	33.9	11	19.6	3	5.4
1906 . . .	18	23.7	17	22.4	27	35.5	12	15.8	2	2.6
1907 . . .	14	17.5	19	23.8	32	40.0	13	16.2	2	2.5
1908 . . .	16	18.8	17	20.0	31	36.5	19	22.4	2	2.3
1909 . . .	16	17.5	17	18.7	35	38.5	20	22.0	3	3.3
1910 . . .	22	22.0	22	22.0	30	30.0	23	23.0	3	3.0
1911 . . .	22	21.0	25	23.8	35	33.3	20	19.0	3	2.9
1912 . . .	25	22.5	27	24.3	57	33.4	19	17.1	3	2.7

The number of accidents per cent of the total number of head of livestock insured was 2.21 % for horses and 1.52 % for horned cattle.

The claims paid amounted in the case of horses to 1.37 % and in that of horned cattle to 1.06 % of the value assured. The average claim paid per horse was 214.05 mks. and per head of horned cattle 71.08 marks.

(1) For the small societies the most recent statistics published are those for 1912.

The premiums collected by the local mutual societies in 1912 were as follows:

	Finnish Mkks.
Horse Insurance	100,036.21
Horned Cattle Insurance.	26,733.67
Contributions to the Reserve Fund.	4,662.59
General Contributions of Members	96,352.65
Total	227,785.12

This total is 1.51 % of the average amount assured for the year. Other receipts, interest etc. brought in 14,457 marks to the societies. The total revenue was, therefore, 242,242 mks. or 1.61 % of the average amount assured.

The expenditure was as follows:

Claims Paid	194,402 mks.	(1.29 % of the amount assured)
Working Expenses	24,099 »	(0.16 % » » »)
Reserve Fund	7,912 »	(0.05 % » » »)
Other Expenditure	16,124 »	(0.11 % » » »)
Total	242,537 mks.	(1.61 % of the amount assured)

Altogether we find that the year closed with a general loss of 293 Finnish marks, an absolutely insignificant amount, we may say, but indicating all the same that the general situation of the small mutual livestock insurance societies is far from prosperous. And, indeed, the statistics for former years only confirm this conclusion. Means are now being studied to improve the financial position of these insurance institutions, which are of the greatest importance for the economic progress of rural Finland.

MISCELLANEOUS INFORMATION RELATING TO INSURANCE
AND THRIFT IN VARIOUS COUNTRIES.

BULGARIA.

INSURANCE OF AGRICULTURAL PRODUCE AGAINST HAIL. — The Central Co-operative Bank of Bulgaria (1) has a special section for the insurance of agricultural produce against hail (2). The utility of this institution is undeniable and it has been of great benefit to the national economy. The work of the Bank in this department is not characterized, as in the other departments, by the two distinct principles, harmony between which is the first condition for the regular working and prosperity of every credit institute, that is to say of rendering the greatest services to the national economy and deriving therefrom a suitable profit. And indeed, since its foundation, in 1911, up to the present, the bank has made no profit out of the insurance department, as in granting claims it has always considered the interest of the insured. In view of the importance of this special work of the Bank, we reproduce the following information from the report for the year 1914.

The number of policy holders which was 25,026 in 1913 amounted to 30,316 in 1914. The amount assured, however, decreased slightly: from 39,326,400 frs. to 37,101,420 frs. This decrease is closely connected with the loss of Dobrudja, as in 1913 a total amount of 11,000,000 frs. in round numbers was assured for that province. The insurance of agricultural produce will be introduced in the new territories in the course of the year. The largest number of policy holders is reported for the district of Plevna, where there are 5,382; the smallest for that of Kustendil, 180. The amount assured in the Plevna district was 6,808,300 frs. and that assured in the Kustendil district only 135,890 frs. If the rich Dobrudja had not been lost, the amount assured this year, instead of 37,101,420 frs., would have been 50,000,000 frs. In comparison with 1913, the total value assured has only decreased in the district of Bourgas. The cause of the decrease here, amounting to about 400,000 frs. was the destruction of many vineyards attacked by phylloxera.

(1) See the article on the "Central Co-operative Bank of Bulgaria" in the number of this Bulletin for February, 1912.

(2) See the article on the "New Legislation on Agricultural Insurance and the Foundation of a State Institution". (§ 3. Law on the Insurance of Agricultural Products against Hail) in the number of this Bulletin for October, 1911.

Let us see how the amount assured was distributed among the principal crops :

	frs.
Wheat	18,633,490
Vines	8,243,190
Maize	2,810,950
Rye	2,782,740
Oats	1,128,970
Barley	1,063,460

The area of the farms insured was 11,831,904 ares. Most of these farms are private property. Government institutes had only taken out 11 policies for an amount of 36,320 frs. Agricultural co-operative societies took out 15 policies for an amount of 538,750 frs.

In 1914 hail fell frequently in abundance and 441 communes or more than a third of those insured suffered severely. Claims to the amount of 1,623,960 frs. were paid to 6,292 persons in 1914; whilst in 1913 only 754,199 frs. were paid. Thus the amount of the claims paid in 1914 was more than twice that paid in the preceding year. The average claim paid per member insured was, in 1914, 258.10 fr. as against 217.82 fr. in 1913. For the first time since its foundation has this department of the Bank suffered such heavy losses, which not only could not be covered by the premiums collected, amounting to 1,881,513 frs., but swallowed up almost entirely the subvention of 600,000 frs. granted by the State. The area that suffered by hail was 870,850 ares against 472,359 ares in 1913. The premiums collected for vineyard insurance were insufficient to pay the claims for vineyards damaged.

The situation due to the European war prevents the regular collection of the premiums, so that the Board of Management has contracted a loan with the credit department of the bank, so as to be able to pay the claims when due. This loan will be gradually repaid as the insurance premiums for 1914 are collected.

(Summarised from the *Echo de Bulgarie* of May 11th., 1915).

CANADA.

THE SASKATCHEWAN HAIL INSURANCE COMMISSION. — In 1912 the Saskatchewan Legislature passed an act for the introduction of a system of hail insurance throughout the Province, and for the creation of a Commission to administer the system introduced. Acceptance of the provisions of the Act is optional upon the part of rural municipalities, in each of which the proposal to adopt the Act must be submitted to the vote of

ratepayers. When the Act has been adopted, however, all land within boundaries of the rural municipality concerned comes within the operation of the insurance scheme and is compulsorily assessed. The amount the assessment is fixed at four cents per acre and the amount of the indemnity is limited to five dollars per acre. The original proposal was for 1x of one and a half cents and an indemnity of six dollars.

Early in 1913 the proposal to adopt the Act was submitted to the ratepayers in 154 rural municipalities, and in 115 of these the proposal was approved. A Commission was appointed consisting of three members, of whom one was appointed by the Lieutenant Governor and two were elected the representatives of the municipalities which had accepted the scheme.

The first report of the Hail Commission was presented on March 3rd., 1914, and showed that during the year ending February 28th., 1914, the amount actually paid in claims was \$ 625,488 as against a total of \$ 485,343 paid in hail insurance claims by all the ordinary commercial companies, taken in number, doing business in Saskatchewan. The total number of claims was 5,300 and the area damaged, to which individual claims related, varied from a few acres up to 2,000 acres. Many of the claims were still unpaid at the end of the year, as the Commission had no funds in hand with which to meet them, owing to the fact that a considerable number of rural municipalities had still to pay over to the Commission either the whole or a part of the tax of four cents per acre levied for the purpose of insurance. The yield of the tax should have been paid over before October 1st., but on that date a considerable amount was still outstanding.

An amendment to the Act now provides that municipalities in arrears with their payments to the Commission may be fined. Such a provision was certainly necessary, for the Hail Commission began the second year of its activity with unpaid claims on hand amounting to \$ 26,472 and with only \$ 7 in cash in the bank.

In the second year, ending February 28th., 1915, the number of rural municipalities under the provisions of the Act was 126, which was 11 more than in the first year. The net revenue of the insurance rate levied in these municipalities was \$ 856,994. The Hail Commission, armed with the power of penalising defaulting municipalities, was able to get sufficient funds in hand and to begin paying claims fully a month earlier than in 1913.

The number of claims presented in 1914 was 3,568 a figure which compares very favourably with the first year's total of 5,300 claims. The net result of the second year's working was that the claims outstanding at the beginning of the year were all duly paid, as well as all claims arising during the year—the latter amounting to \$ 511,932. The cost of administering the scheme showed a very slight relative increase, rising from 3.26 per cent. of the total revenue in 1913, to 3.36 per cent. in 1914.

The third year of the working of the scheme began with 127 rural municipalities under the operation of the Act.

FRANCE.

THE APPLICATION OF THE PRINCIPLE OF PROFESSIONAL RISKS TO FORESTRY ENTERPRISE. — On the 1st. of next September, the law of July 15th., 1914, extending the provisions of the law of April 9th., 1898 on accidents in work to forestry undertakings will come into force. In this connection, a decree and executive regulations were issued on May 27th., 1915, the principal object being to establish the forms on which the victims of accidents, their representatives or heirs must report to the head of the undertaking, when the place in which the accident is not in the commune in which he lives. The use of these forms, however, is not compulsory, but they are placed at the disposal of those concerned in all municipal offices, so as to facilitate the accomplishment of the formalities required by the law. They are so made out that, when duly filled in, they may give the contractors all the information they require in regard to the circumstances of the accident, so as to enable them to estimate the probable consequences and to make their report, after having ascertained the facts.

The executive regulations aim at establishing the rules according to which the wages of the farm labourers in each department shall be fixed, in order that they may serve as the basis for the calculation of the compensation due to labourers' victims of accidents in forestry work or their heirs, when the victim was not paid by the head of the enterprise or had no fixed wages.

The wages shall be fixed for each department by the prefect after consultation with the mixed commission appointed in accordance with the first article of the decree and the results obtained by means of administrative enquiries from masters' and labourers, syndicates, the superintendent of agricultural services and other competent persons,

GREAT BRITAIN AND IRELAND.

I. — THE AGRICULTURAL AND GENERAL CO-OPERATIVE INSURANCE SOCIETY. — This society was formed in 1908 in order to secure for its policy-holders any profits which may be made on their insurances. Its business is practically confined to members of co-operative societies who are recommended by the societies to which they belong and the so-called "moral" risk is thus largely eliminated. The Society has, therefore, a somewhat greater immunity from claims than ordinary proprietary companies.

Prior to the Society undertaking any business a fund of £20,000 was subscribed, principally by the Directors and their friends, in order that the policy-holders might be fully protected. Further, re-insurance contracts were entered into by the Society, whereby its total liability in any loss was strictly limited. The original fund has been largely augmented by the issue of shares and by reserves, etc., created out of the profits, all of which are wholly the property of the individual members of the Society.

At the end of each year of insurance, the societies accounts are audited and if, after paying all claims and expenses, a sufficient surplus is disclosed, a bonus is then declared, which is allocated amongst the members in proportion to the premium which each one has paid the Society. That the scheme has prospered is shown by the following figures :

Year	Net Premiums — £	Net Losses — £	Rate of Bonus Declared —
1909	1,182	74	25 per cent.
1910	2,141	683	25 " "
1911	2,969	587	35 " "
1912	4,165	1,010	30 " "
1913	5,931	3,691	Nil.
1914	6,506	2,963	15 per cent.

The year 1913 was remarkable for the number of farm fires which occurred, and, although the society could have declared a modest bonus, it was thought prudent to forego any distribution of bonus in respect of that year.

Of every pound sterling paid by the members in premiums it is calculated that 9 shillings go to the payment of claims ; 3 shillings as commission to the societies who recommend the policy-holder ; 3 shillings in working expenses of the Insurance Society ; 3 shillings to the payment of bonus and the remaining 2 shillings go to the payment of interest on shares or to the formation of some fund which is wholly for the benefit of the members.

(From *Co-operation in Agriculture*, No. 6, June 1915).

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2. — CATTLE AND PIG INSURANCE SOCIETIES. — In a recent issue we produced some statistics which had been specially compiled for the

Journal of the Board of Agriculture, concerning the work of mutual pig insurance societies in England and Wales in 1911, 1912 and 1913 (1). The figures related both to registered and to unregistered pig insurance societies. In the *Board of Trade Labour Gazette* of May appear some statistics for the years 1909 to 1913, which relate only to registered societies, but embrace cattle insurance societies as well as pig insurance societies. The statistics are as follows:

	1909	1910	1911	1912	1913
Number of Societies making Returns	57	58	58	61	61
Total Membership	3,574	3,625	3,600	3,596	3,534
Receipts:	£	£	£	£	£
Contributions	1,761	1,835	1,809	1,822	1,801
Other Receipts	405	507	453	472	490
Total Receipts	2,256	2,342	2,262	2,294	2,331
Expenditure:					
Benefits to Members	1,908	1,751	1,924	1,815	1,774
Working Expenses	387	388	257	290	285
Total Expenditure	2,295	2,139	2,181	2,105	2,059
Total Funds at End of year	7,671	8,105	8,112	8,344	8,510

The registered pig and cattle societies, however, constitute only a small minority of the total number of such societies; there were about 1,200 unregistered pig and cattle societies in England alone.

SWITZERLAND.

HAIL INSURANCE IN SWITZERLAND IN 1914. — It is well known what importance many of the Swiss Cantons give to the subject of the insurance of crops against hail. Up to the end of 1914 the Confederation charged itself with half of the expenditure supported by the Cantons, independently of the cantonal subsidy. The financial situation of the Confederation may, however, very probably force it to consider whether it will not be advisable to make some changes in regard to the principles on which hail insurance subventions are granted, so as to economise also in this department.

(1) "The Recent Development of Mutual Pig Insurance in England and Wales," *Bulletin of Economic and Social Intelligence*, April 1915.

The Federal Agricultural Department has already taken some action in this sense, deciding provisionally that in and after 1915 the subsidies shall not exceed 50 % of the policy expenses, 20 % of the premiums for insurance of vineyards and 12.5 % of those for insurance of other crops.

In 1914 the federal subsidy for the encouragement of hail insurance amounted to 261,458 fr. The Confederation and the Cantons spent altogether 522,917 fr.; in premiums 389,882 frs. and in policies 138,034 frs. The amount assured in Switzerland in 1914 was 81,356,404 frs. and the number of policies was 16,661.

Of the 25 States of the Confederation, 21 place on their estimates of expenditure an amount for the encouragement of hail insurance. The Cantons of Uri, Glarus, Grisons and Ticino make no sacrifices for this object. It must, however, be remembered that in the Cantons of Uri, Glarus and Grisons hail storms are exceedingly rare and the risks in these cantons of herbaceous crops are of little importance.

The Canton that spends most on this insurance in proportion to its population is Geneva; 3,845 frs. per 1,000 persons engaged in agriculture. It comes next the small Canton of Zug, spending altogether 6,000 frs. or 1,342.86 fr. per 1,000 of the agricultural population. For this Canton alone 956 policies are reported and an assured amount of 2,319,350 fr.

After Zug comes Neuchâtel with 1,275 policies and assured value of 22,094 fr.

Then there follow closely the Cantons of Schaffhausen, Appenzell E., Glarus, Aargau and Basle Country. Schaffhausen spends about 700 fr. per 1,000 of the agricultural population; in 1914 2,365 policies were reported for an assured amount of 1,999,720 frs. Appenzell E. spends about 600 fr. per 1,000 farmers and reported 800 policies for an assured amount of more than 1,100,000 frs. Lucerne also spends about 600 fr. per 1,000 of the farming population, and reports about 6,000 policies with an assured amount of 13,500,000 frs. This Canton received from the Confederation in 1914 a subsidy of 27,211.38 fr. Aargau spends about 500 frs. per 1,000 farmers, and showed 12,000 policies and assured value of 7,180,000 frs. Basle Country also spends about half a franc per member of the agricultural population. Then follow the Cantons of Schwyz, Nidwalden and Vaud, in which the expenditure is between 400 and 470 frs. per 1,000 inhabitants. Vaud showed 4,028 policies and about 7,000,000 frs. capital assured. The Federal subsidy received by this Canton in 1914 was 34,470 frs.

Next come Zurich, Thurgau, Berne and, at a little distance, Basle City and St. Gall. Zurich showed 5,198 policies, Thurgau 3,622, Berne 14,335, Basle City 43 and St. Gall 5,360. The values assured were respectively 51,040 frs.; 2,970,450 frs.; 20,603,830 frs.; 112,070 frs.; and 4,400,800 frs.

The Cantons of Obwalden, Fribourg, Appenzell Int. and Valais spend in proportion to the farming population.

(Summarised from an article in *Agricoltura Ticinese*, Year XLVII, No. 25. Locarno, June 19th., 1915).

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO INSURANCE AND THRIFT.

SPAIN.

ASENSIO BOURGON (RAMÓN): LOS SEGUROS Y LA PREVISIÓN EN ESPAÑA. (*Insurance and Thrift in Spain*). Lecture Delivered at the 3rd. International Congress of Commercial Expansion, Barcelona, 1914. "Anales del Instituto Nacional de Previsión", Year II, No. 22, December, 1914, pp. 297-318.

The lecturer divides the study of the questions with which he deals into two parts. In the first, he considers the situation of insurance and thrift in Spain up to 1908, and in the second from that year up to the present moment. This division is in accord with the radical change that took place in 1908 in the direction given to thrift and insurance, through the foundation of the General Insurance Commission and the National Thrift Institute, which are two manifestations of State intervention in this aspect of social life.

The author devotes special attention to the situation of the various branches of insurance, giving interesting statistical tables, but it is to be regretted that he has not devoted a special chapter to agricultural insurance.

In respect to thrift as represented by savings and the constitution of pensions and annuities, Señor Bourgon, gives an account of the work, as well as of the organisation and mode of working of some of the most important institutions such as the Madrid Pawn Institute, that of Barcelona etc., and deals quite specially with the National Thrift Institute (1).

He ends his account with a chapter in which he states what in his opinion should be done to give instruction in insurance in Spain.

GREAT BRITAIN AND IRELAND.

ASHBY (ARTHUR W.): VILLAGE CLUBS AND ASSOCIATIONS. In the "Journal of the Royal Anthropological Society of England," Vol. 75, 1914.

The English villages in the Middle Ages, the writer of this article tells us, were filled with guilds or fraternities, religious in origin, but embracing

(1) See the numbers of this Bulletin for November-December, 1911 and May 1915 pp. 163 and 139 respectively.

their objects the material and moral welfare of their members. For the most part, however, these organisations were swept away by the Reformation and it was not until the eighteenth century that village associations again began to be formed. The friendly societies which then arose were for mutual insurance, usually providing benefits in case of sickness or paying funeral expenses in case of death. Many of these "sick and burial clubs" were far from successful; their financial basis was unsound, they were badly managed, and disaster resulted. But in spite of failures the clubs did much useful work, and many village clubs continued to exist even after the development of the large friendly societies with numerous branches. The passing of the National Health Insurance Act in 1910 resulted in the closing of a large number of the clubs. In some cases, as in Lincolnshire, efforts have been made to preserve them by federating them with a central society.

Besides the independent village societies, a certain number of county societies were formed, with branches in the villages. They were usually established by philanthropic persons, who retained the management in their own hands. Thus, although they had a sounder financial basis and were better managed, they did not give the villagers the same training in business and mutual action as the village club. The large orders, such as the "Forsters", the "Oddfellows," etc., have branches in many villages, and these usually have more autonomy than the branches of the county societies.

Other kinds of benefit society are also to be found in the villages. During the last quarter of the 19th. century, "tontines" were common in the villages of the southern and eastern countries. These societies take regular subscriptions from their members, and make periodical divisions of part of their funds, retaining the remainder for future division amongst surviving members.

The writer of the article also describes the various forms of mutual live-stock insurance society to be found in English villages, as well as the very numerous credit societies and live-stock improvement societies. He also notes the local horticultural societies which, by organising flower and vegetable shows, have done so much to stimulate improvement in the cultivation of gardens and allotments.

Part III: Credit

GERMANY.

MEASURES TAKEN OR PROPOSED BY THE PRUSSIAN LANDSCHAFTEN FOR THE EXTENSION OF THEIR MORTGAGE CREDIT TO PEASANT HOLDINGS,

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§ I. GENERAL REMARKS.

It has already been said, in the number of this Bulletin for February, 1914, that the most important task the Prussian Landschaften have now to accomplish is the *conversion* of all the mortgage debts of the small farmers, from *debts to private individuals*, as they now are for the most part, into debts secured on *lettres de gages* (bonds). This was not originally included in the system of agricultural credit. The five older Landschaften, that of Pomerania, the Credit Institute for the Nobles' Estates of Kurmark and Neumark and the Landschaften of Pomerania, West and East Prussia were only intended to meet the requirements of the nobles and the large landed proprietors. Not only, the peasants, but even the small independent holders (*Köllmer*) were excluded, on principle, from the Landschaften. This was not only on account of the limited ownership of the peasants, but it was also, above all in the case of the small independent landholders (*Köllmer*), whose possession was as free and unrestricted as that of the nobles, a consequence of the political power of the latter. And if at a later date the Landschaften were opened to the peasants, this was done not only for reasons of law and administrative technique, but also for political reasons.

Up to 1848 no Landschaft, except that of East Prussia, had contemplated the admission of landholders who were not noble. (1). But even in East Prussia the admission of the small independent landholders (*Köllmer*) in 1808 only opened the institution to an insignificant proportion of the landholders not belonging to the nobility. The peasants were still excluded, even those on the domains, who, however, after 1808, were the absolute proprietors of their farms. Two events led to the admission of peasants as members of the *Landschaften* and the foundation of similar institutes for the peasant landholders. The first condition necessary was the abolition of the restrictions in regard to the contraction of debts on the regulated peasants' holdings, introduced in 1811. This condition was fulfilled when on December 29th., 1843, these restrictions were abrogated. Then a complete change of tendency in the land policy of the Prussian State was necessary. It had been inspired in the early part of the nineteenth century by the prevailing opinion of the time, that "it was better for the small landholders not to obtain credit on their land." The change came about as a consequence of the gradual regulation of the relations of the peasants with their landlords, the improved economic conditions of the peasants and the individualism introduced into the national economy in accordance with the political ideas of the year 1848. Thus, the political agitation of 1848 was one of the causes of the organisation of credit for peasant landholders.

The *Landschaften* extended their credit to peasant landholders in various ways. In East Prussia and Posen the peasants became members of the *Landschaft* itself; in Silesia, Brandenburg, Pomerania and West Prussia special associations were formed working in co-operation with the nobles' *Landschaften*; in Silesia the association was a section of the Institute for the nobles' estates, in the three other provinces independent corporations were formed. The Schleswig-Holstein *Landschaft*, founded in 1895, extended its business in 1907 to include credit to peasant holders and the "*landschaftlicher Kreditverband*," founded in 1882 for the province of Schleswig-Holstein, was at first intended almost exclusively for the benefit of the peasant landholders. The first *Landschaft* to grant credit to peasants was that of East Prussia, (2) in accordance with the order of May 4th., 1849 approving the resolution of the National Diet of October 9th., 1847. It was followed by the *Landschaft* of Silesia, in accordance with a rule of May 11th., 1849 and afterwards by the other *Landschaften*.

First of all the *Landschaften* extended their credit to the peasants holdings on the same system as that instituted for the nobles' estates without any new organisation taking account of the special character of

(1) MAUER: *Das landschaftliche Kreditwesen Preussens*. Strassburg, 1907. pp. 10 et seqq.

(2) I must vindicate the claim of the East Prussian *Landschaft* to this merit, against the made by Gertz for the Silesian *Landschaft* in "*Die Verfassung und Verwaltung der Schlesischen Landschaft*," 4th. edition, p. 168, without wishing to detract from the honour of the Silesian *Landschaft* as the oldest, and in many respects the model *Landschaft*.

peasant land. This special character is due partly to causes of a personal nature and partly to the different nature of the peasants' farms and the large farms. While, on the one hand, the extension of the Landschaften's land credit was impeded by the dulness of the peasants and their repugnance to any innovation; on the other hand, the Landschaften generally neglected to take measures to encourage the peasants to take advantage of the land credit, by rendering the process of the grant of loans easier, facilitating access to the loan offices for the applicants for loans and adapting the rules for the valuation of holdings to the special character of peasants' farms, taking into consideration above all the relatively higher value of the buildings and the higher purchase price. Only in some individual Landschaften can we find the commencement of this specialisation of credit to peasants. But up to 1895 there was no systematic organisation of the credit granted by the Landschaften to peasants. It was the Royal Government that took the initiative in founding chambers of agriculture in accordance with the law of June 30th., 1894. "The Chamber of Agriculture", according to the official statement of the reasons for the law, "must unite the whole body of farmers in a corporation founded upon a solid and durable basis and among its duties will be the preparation and execution, in agreement with the Government, of legislative and administrative measures, with a view to the improvement of the system of land credit and the prevention of the evils of the excessive indebtedness of landed property and the injurious forms of it."

The subject of the further elaboration of the system of land credit for the peasants was then discussed in 1895 in all the provinces by the Government authorities and the parties concerned. In a conference of the general directors of the Landschaften (*General-Landschafts-Direktoren*), called by the Minister of Agriculture, the means for and the need of improving the land credit system for the peasants in the eastern provinces, that is to say in relation with the mortgage debt on peasant holdings, was also discussed. After the reporter appointed by the Agricultural Department had made his statement, and opened the meeting, the discussion was at first limited to the Eastern provinces, as the conditions in these provinces were considered to be uniform, the Landschaften were the chief agricultural land credit institutions there and the organisation of this branch of the credit system was held to be comparatively satisfactory in the western part of the kingdom. After discussion, it was agreed that the Landschaften should in the future occupy themselves more with the promotion of land credit for the small landholders and with the improvement of the institutions established, in so far as was necessary. After that many measures were adopted in all the Landschaften in the direction of organisation and administrative technique, so as to render land credit a greater benefit to the peasant holdings. First of all, the field of action of the Landschaften was everywhere formally extended, by the extension of the limits fixed for the mortgages on peasant holdings. The fundamental principle was generally accepted that it must be allowed that all holdings, on the produce of which a family lives, can be mortgaged. Afterwards also the proportions of the loans to be granted

were increased. The limit for the loans was fixed in all the *Landschaften* at $\frac{2}{3}$ rds. of the estimated value of the land. Then supplementary loans were more generally granted in money to make up the difference between the actual quotation and the nominal value of the *lettres de gage*. In addition to these changes in the organisation, everywhere administrative measures were adopted to ensure the small holdings the benefit of the credit granted by the *Landschaften*. All that has been done in this direction, I shall show when I describe the conditions of each special *Landschaft*. However, as far as possible to avoid repetition, I shall only indicate the details of the development of this organisation in the case of East Prussia, more especially, as it is only in the case of that province that I have all the necessary elements at my disposal. As regards the other *Landschaften*, in which the administrative measures adopted have substantially had the same object as those of the East Prussian *Landschaft*, I shall confine myself to indicating the legislative measures and the changes in organisation and the success realised by them and only devote a few words to their measures of administrative technique in so far as they present any peculiar features.

§ 2. EAST PRUSSIAN LANDSCHAFT.

After the introduction, in 1849, of land credit for peasant holdings the distinction of holdings according to their legal character, that is as noble estates, small independent holdings (*Köllmischer Besitz*) and peasants' holdings, lost its practical value, although it was maintained in so far as the general guarantee was only extended to peasant holdings when the mortgage loan was issued under the form of *lettres de gage*. In the efforts of the administration of the *Landschaft* to encourage the land credit granted by these institutions, the holdings were no longer considered as nobles' estates or peasants' holdings, but as large and small holdings. The designation of small holdings was given to those of an area of less than 100 ha. in the mountains and less than 50 ha. in the plain.

This was because, in district council meetings individual voting rights (*Virilstimmberechtigung*) were possessed by those representatives of the *Landschaft* who were owners of more than 104 and 52 ha. respectively, whilst the owners of smaller holdings only voted collectively. The smallest area of the holdings which can be mortgaged is that on the produce of which the proprietor can live, and the estimated value of which according to the principles of estimation of the *Landschaft* is at least 1,500 marks. Of the 10,725 holdings on which loans had been granted up to 1895, 8,166 were less than 100 ha. in area. But, on the other hand, there are in East Prussia more than 60,000 holdings which may obtain loans from the *Landschaft*. These belong for the most part to the class of small holdings. Consequently, the mortgaged holdings, although for the most part

small, only represent a very small proportion of the total number which can be mortgaged by the Landschaft.

The measures taken by the Landschaft for the diffusion of land credit may be examined from three different points of view.

I. — The changes introduced in the *principles of valuation* and the *regulations for the grant of loans* were in the first place of essential importance. First of all the minimum of valuation was reduced. However, this value has not been changed, because since 1849 in the East Prussian Landschaft all the rural holdings, the value of which, as estimated according to the valuation principles of the Landschaft, was less than 1,500 marks and which can be considered as independent farms, leaving out of consideration any possible supplementary revenue of the owner, may receive loans on mortgage. These conditions are, as a rule, satisfied in the good districts, that is to say in the plains, by holdings of about 3 ha., in less fertile regions by those of about 5 ha., but in isolated cases the minimum value is reduced even to 2 ha., and the net yield estimated for purposes of the land tax (*Grundsteuer-ertrag*) to 15 marks. By these provisions the conditions to be satisfied before mortgage loans are granted are already as far as possible reduced, above all if the condition is maintained that the farm must support the owner. This principle, that the produce of the farm must be sufficient to support the owner, has not yet been abandoned in East Prussia, because, if it were, the chief value of the holdings would consist in the buildings, which could not be reconciled with the character of the land and credit granted by the Landschaft. Although the power of granting mortgage loans on small farms in East Prussia has not been formally extended, there has, however, really been such an extension, as in the course of years the valuations in the case of small holdings have been more favourable and sometimes even higher than in the case of large estates. In this respect, the following changes have taken place:

(1) The investment of plus values, which on the principles of valuation of June 18th., 1895 was only considered in the case of holdings of more than 100 ha. in the mountains and more than 50 ha. in the plains, in 1899 was taken into account in the case of holdings of from 50 to 100 ha., in the mountains and of from 25 to 50 ha. in the plains and in 1908 in that of all holdings in the plains of more than 5 ha. Finally, in 1900, the limit of area in respect to the consideration of the investment of plus values, was entirely abolished, so that § 21. paragraph 1. of the principles of valuation of June 18th., 1905 (1913 edition) now provides in a general sense: In specially favourable and permanent conditions the investment of the plus values allowed under § 23 may be considered.

(2) The presence of *a supply of draught livestock and breeding stock*, calculated on the basis of the area of the fields, meadows and pasture grounds of the farm to be valued, is as a rule insisted on in order that the maximum amount of the definite capital may be utilised without restriction. However, up to 1904, no account was taken of the stock of pigs. Since then the value of a pig more than six months old is considered as one tenth of that of a head of large cattle (horse, ox, cow) (§ 34. of the valuation principles)

In this way the requirements above all of small holdings have been satisfied, pig improvement being a far more important source of revenue for them than for the large estates.

(3) (a) In the case of land cultivated as meadows situated in the first section of the plain of the Memel and placed after valuation in the first or second class of the meadows in the plains, no further deduction is made for want of *buildings or livestock*. The application of this provision was extended in 1908 to the rest of the plain of the Memel and to that of the Drausen. (b) The *addition for plain land*, previously allowed only in the case of fields and meadows of the 1st. and 2nd. class of holdings in the plains of the Memel and the Drausen, was allowed in 1908 in the case of pasture land of the first and second class with an increase of the maximum rate from 200 to 400 marks per ha.

The increase in the estimated value of the holdings of the plain made possible by these changes satisfies the conditions of small and very small holdings, which predominate in the lower districts and furnish, in consequence of their assured gross yield and their comparatively low working expenses, higher net yields than larger holdings.

(4) So as to include in the valuation and in the mortgage granted by the Landschaft the value of the forests and of the utilisation of the wood derived from them, which the principles of valuation of land did not take into special account, in 1901 provision was made for a supplementary estimate of the yield of the forests to be added to the estimated value of the holding, so that forest holdings were now valued and mortgaged not merely according to the value of the soil, but also according to the value of the forest yield. But for the purpose the working of the forest had to be regulated in accordance with the principles of the State Forestry Department and so this supplementary estimate was only made in the case of large forest holdings of at least 100 ha. in area. The provision did not apply in the case of small holdings. They were only taken into consideration for the purposes of the estimation of wooded land (*Boden- und Waldbesandstaxe*) introduced in 1910, and applying to forests of at least 15 ha. in area, taking into account besides the value of the soil also that of the wood as approximately ascertained; for the purpose it is true the scientific working of the forest, ensuring its maintenance is required, but it is not required that the forest should be worked according to the rules adopted for State forests.

(5) What is called the "supplementary estimate" of 15 % of the amount calculated on the value of the capital, allowed up to 1913 for holding the yield of which was specially high, was raised in 1908 to 20 % for holdings on which the buildings and livestock represented at least 25 %. This supplement is an advantage above all for small and medium sized holdings on which the value of the buildings is larger in proportion to the value of the land than on large holdings.

(6) In elaborating the system of supplements in 1913, every attention was given to the special conditions of the small and medium sized holdings. The value of the buildings and livestock, which is considerable on small

holdings, will be for the most part included in the *stock supplement* (*Bestandszuschlag*). This must be calculated in hundredths of the value of the fields, meadows, pasture land and waters. The maximum amount allowed increases inversely with the size of the holding and is 20 % for holdings of more than 100 ha., 25 % for those between 30 and 100 ha., 30 % for those between 10 and 30 ha.; and 40 % for those less than 10 hectares. With regard to these holdings of less than 10 ha., those were especially contemplated that are held by small landowners called *Kärner*, those rural artisans and small industrials in villages and the small independent holdings of one piece (*Ausbauten*), which are very much in demand and need a ready sale. So also in fixing the conditions for the *class supplement* (*Klassenzuschlag*) which may be allowed in addition to the stock supplement, as an estimate of the value of the quite special permanent character of the holding, every attention has been paid to the special character of the peasant holding, as for example the value of the favourable position in which the fields lie to each other and to the farm buildings, as well as the proximity of high roads or towns etc.

II. — By means of the above changes, the East Prussian Landschaft has been enabled to grant small landholders at least as large loans as those to owners of medium sized and large farms, if not larger loans. Other revisions have been adopted for the facilitation of credit for small holdings and the reduction of expenditure in connection with it. In this connection we must make the following remark :

(1) For the purposes of the valuation, a certified copy of the map made for purposes of the land tax had to be presented, on which the land cultivated and the kind of crops had to be marked by a sworn surveyor. In 1892, this rule had already been modified so as to diminish the costs of valuation of smaller farms, by the abolition of the necessity for the inspection of the crops on the spot by the surveyor in the case of farms of less than 50 ha., while the councillors of the Landschaft, entrusted with the estimation, were themselves to ascertain the changes made in regard to the crops indicated for purposes of the land tax, and the productive possibilities of the soil and enter them in the survey register. This rule was extended in 1910 to apply to holdings of from 50 to 100 ha. when a corrected map already existed that had been utilised for a previous estimate, provided no change had been made in the crops cultivated or that the changes made had been insignificant in respect to the total area of the holding.

(2) For the estimate of value, made in accordance with the net yield as estimated for the purposes of the land tax, for which since 1910 a valuation 45 times as high as the net yield may be accepted, the costs of inspection are not generally considered in the case of holdings of less than 100 ha. Only when the estimated value is reckoned as more than 36 times the net yield estimated for the land tax is inspection indispensable and to be paid for.

(3) The compensations to the Landschaft's Councillor entrusted with the valuation for his travelling expenses form a heavy charge against holdings of small area. Already, in the tariff of expenditure established in

1892, account was taken of this, when the amounts to be paid by the landholder for costs of valuation were established, on the basis of the area of the holding and partly on the net yield estimated for purposes of the land tax accepted as the measure of value, independently of the situation of the holding and the journey to be made by the appraiser. So also the valuation commissions received fixed amounts as compensation per day and for their travelling expenses, so that the small and large estimates and the long and short journeys compensated each other. In 1895, the expenditure in this connection was reduced in the case of holdings of less than 50 ha., and by way of exception also for those a little larger if belonging to a single proprietor and even if held collectively and if the valuations were made one immediately after the other (in the case of what is called village valuations), so that the total expenditure is only paid for the first valuation and only half the expenditure is paid in the case of each of the later operations. In 1913 the expenses for valuation were still further reduced on the ground that it was necessary to reduce the cost of the credit granted by the Landschaft, above all for the very small holdings, so as to bring mortgage loans to the class of small land owners. A sliding scale was established for the valuation expenses, graduated according to the area of the holdings, varying from 350 marks for holdings of more than 1,000 ha. to 15 marks for those of 5 ha. The reduction of expenditure thus obtained is so great that no further reduction for village valuations can be contemplated.

(4) A special facility and at the same time a reduction of the costs of valuation has been arranged by the General Management of the Landschaft since 1907 itself providing the requisites for valuation of holdings of less than 50 ha. area. In return for this assistance only the personal expenses of the board are charged, up to a maximum of 20 marks. In 1913 this maximum was reduced to 15 mks. for holdings of less than 20 ha. area; it was maintained at 20 mks. for those of from 20 to 30 ha. and raised to 25 mks. for those of areas of from 30 to 40 ha. and to 30 mks. for those of from 40 to 50 ha. In no case, however, is a sum charged in excess of the personal expenses of the Board. Any eventual surplus of the maximum rate borne by the Landschaft. The balance of the maximum amount not spent is returned to the applicant together with an account of the expenditure. This provision has been taken advantage of more and more from year to year, as appears in the following table which shows only slight variation in the increase of the applications:

TABLE I. — *Applications for Requisites for Valuation.*

Year	Applications for Requisites for Valuation	Applications Withdrawn	Applications Granted out of the Balance from former Years
3	37	3	34
5	83	3	85
7	147	7	147
8	188	8	263
9	407	21	456
0	444	30	562
1	648	48	610
2	567	49	606
3	547	31	624
4	458	37	528

The decrease in the number of applications in 1914 is due to the state war which since the first of August has prevented any valuation taking place; on the other hand, the record of activity reached in 1911 was due to the fact that in 1910 the investment of plus values began to be taken into account in the valuation of all holdings without restriction of area.

(5) The grant of loans under form of *lettres de gage* was further facilitated by the provisions of 1899, in accordance with which the owners of holdings not exceeding 100 ha. in area might obtain an advance out of Landschaft funds to meet the costs of valuation, on payment of 5 % interest; in addition, the costs of valuation already paid may be repaid the Landschaft out of its funds to the landholder on demand, if it is found after valuation that his holding cannot be mortgaged, or else the payments not made may be remitted.

III. — To induce the small landholder to avail himself of the land credit of the Landschaft, easy access to this credit was perhaps even more necessary than the reduction of the expense of valuation or any other facility of fiscal character. In this sense the supply of the requisites for the estimation by the General Management of the Landschaft (II. 4), and the fact that no commission is charged are of the greatest importance. But already the discussions of the Agricultural Conference of 1894, Dr. Hecht (1) served that "the peasant who has need of credit wants it offered to him at his house, and local credit offices are always preferred to the distant

(1) Dr. FELIX HECHT, *Agrarkonferenz* of 1894, p. 332.

central office, even if the latter offers far cheaper and better conditions. Therefore in order to bring the Landschaft's mortgage credit to the people the best course to pursue is to "localise the staff of agents." The conditions of the East Prussian Landschaft were specially unfavourable for the purpose, as it has not, like most of the Landschaften, offices in the principalities or departments which could serve as provincial bureaux. This defect had to be remedied, and it was attempted to do this by means of publications and lectures and special measures of organisation.

(1) The conditions for obtaining loans expressed in clear and popular language were published in the official papers of the districts and sent periodically and regularly, above all at the beginning of each term for valuation, to the burgomasters of the communes and the registrars of land. Then a short summary was published in popular language of the principal articles of the rules of the Landschaft, of the bank and, since 1910, also of the life insurance institute, of the greatest importance for the landholders (*Object and Aims of the Landschaft Institutes*), and distributed free of charge. This publication was constantly brought up to date and distributed above all in the agricultural associations and to the itinerant agricultural lecturers. Addresses in connection with this publication were delivered in the associations and gave occasion for discussion of the object and aims of the Landschaft institutions. Officers of the Landschaft, specially trained for the purpose, were sent to the chief towns or other places in the districts favourably situated for the purpose, to give the landowners, desirous of contracting loans on *lettres de gage*, detailed information gratis in regard to the requisites for the valuation and to prepare the forms of application for the same also free of charge. Their visits are preannounced in the official district papers, and, if need be, in some of the daily papers read above all by small landowners.

(2) Many district offices and credit societies have formed themselves on their own initiative into offices of information and consultation with a view to enlightening the owners of small or medium sized holdings in regard to the loans granted by the Landschaft and popularising this form of credit; they even have received applications for valuation to be made by the Landschaft and have assisted the landowners in obtaining the requisites for valuation.

(3) In this respect the progress made by the East Prussian Landschaft has been decidedly important. This progress was, however, hampered by the centralisation of the work of the bank, which had its headquarters at Königsberg at the extreme end of the province. In consideration of these conditions and with the object of facilitating communications between the Landschaft bank and the members, at first a branch (business office) was established at Königsberg itself in the proximity of the railway station. Afterwards, in 1900 and the following years, after the rules of the bank had been completed by decisions (1904, 1910) granting it power to establish branches (business offices), agencies and collecting offices outside the town of Königsberg, branches were started in the province. In accordance with a plan for the whole district of the Landschaft, head offices were founded

Königsberg and in the province, with agencies affiliated to them in all localities and, finally, offices for collection and forwarding managed confidential agents in the remotest localities of the Landschaft district. That the whole province of East Prussia and the part of the province of West Prussia included in the district served by the Landschaft were covered by a network of institutions, working as agencies of the Landschaft and the bank, bringing the land holders to them and obtaining land and personal credit for the members of the Landschaft and above all for the owners of small and medium sized holdings. Thus the bank has now 7 business offices, 12 agencies and almost 100 collection and forwarding offices. With this extensive system of branch offices the bank acts in every direction as an organisation for the collection of deposits and for the satisfaction of the needs of credit, collecting the money and again distributing it. This organisation has had the greatest influence in increasing the number of mortgage loans of the Landschaft. The bank's offices have not only directly obtained loans from the Landschaft, above all for small and medium sized holdings, but they have also prepared the way for the mortgaging of the land by the grant of temporary credits for the purpose of paying off private mortgages and by the opening of bank credits for farm improvements. The Landschaft and the bank work in harmony. The more the number of mortgage loans made by the Landschaft increases, the larger the number of the bank's customers becomes, and, again, the more the bank becomes a local institution of public utility for every part of the province, the more it contributes to the extension of the Landschaft. The bank comes into close contact with the middle class of the towns and of the country through the receipt of deposits and above all through its savings bank founded in 1909 and thus is better enabled also to grant, besides its mortgage loans on security of *lettres de gage*, also short term personal credit, and mortgage credit, by means of which, in many cases, when the loan in *lettres de gage* does not suffice to pay off the private mortgages, the mortgage loan of the Landschaft is alone made possible. This affects in the first place the holdings of small peasants, a large number of whom have still to be won over to the Landschaft and there is no question of large amounts, which could not be immobilised by the bank, which desires to retain the power of realising the money it needs. In this way, the bank has laid the small holdings more and more under contribution from year to year and has endeavoured to induce the small farmers to apply for mortgage loans from the Landschaft. The following table reproduces some figures showing the work of the bank, in regard to the acceptance of applications for valuations, the information service and the collection of interest on the Landschaft's Loans.

TABLE II. — *Work of the Bank in connection with the Landschaft's Business.*

Year	Applications for Valuation of Holdings Accepted		Total	Instances of Information Supplied	Collection and Payment of Interest on Loans of the Landschaft for Amounts		
	Less than 50 ha.	above 50 ha.			Less than 500 Marks	More than 500 Marks	Tot.
1st. April 1906-1st. April 1909	65	30	95	404	Instances. Figures not Obtainable		
1st. " 1909 " " 1910	182	101	283	2,317	917	710	1,627
1st. " 1910 " " 1911	270	127	397	2,782	2,169	1,888	3,337
1st. " 1911 " " 1912	369	159	528	4,202	3,070	1,387	4,457
1st. " 1912 " " 1913	343	153	496	4,045	5,794	2,047	7,841
1st. " 1913 " " 1914	440	343	783	6,460	6,988	2,441	9,429

(4) In connection with the extension of the Landschaft's mortgage loans to small and medium sized holdings, the life insurance institute founded by the Landschaft in 1900 has also to be considered. The object in view in founding this institute was the relief of farm land from encumbrance. This object justifies the substitution of the insurance of life for the repayment of the loan granted by the Landschaft. This is effected as follows: the annuities to be paid for the *lettres de gage* may be invested in a life insurance policy issued by the Landschaft's life insurance institute. On the one hand, the transfer of the annuities gives the life insurance institute an effectual means for concluding a large number of life insurance contracts; on the other hand, however, it also favours the extension of the Landschaft's mortgage loans, since the borrowers have at the same time an opportunity of insuring their lives by means of payment of the annuities. Also the life insurance institute helps the Landschaft to extend its mortgage loan business, satisfying the need of land credit felt by the owners of small and medium-sized holdings and preparing the way for mortgage loans from the Landschaft by accepting second mortgages when the loan to be received is insufficient to extinguish the private mortgages already existing. The whole organisation of the life insurance institute with its 150 commissioners and itinerant inspectors who, by their active propaganda and with the assistance of a large number of other institutions of public character and public utility, have introduced and spread the idea of life insurance about all among the rural population, is also in this way of use in extending the loan business of the Landschaft. It overcomes in the first place the repugnance of a large part of the population to the payment of annuities, by

owing the advantages offered by the possibility of insuring a life by merely paying the instalments on the loans received from the Landschaft, with further expense. With the help of the bank and the life insurance institute, the credit organisation of the Landschaft is decentralised to the most and enabled to satisfy, with a single central bureau, all local needs, which, above all, the small landholders benefit.

IV. — The results of the work of the East Prussian Landschaft in the field of land credit to peasant owners are shown in the following tables.

To the increase in the number of holdings which have received loans and the increase in the amount represented by *lettres de gage* since 1896, shown in Table III, all the classes of farms of different area have contributed as shown in Table IV, whilst the percentage contributed by farms of more than 100 ha. has diminished, that contributed by the smaller farms (up to 20 ha. in area) has constantly increased in notable degree. An increase may also be observed, with some fluctuations, it is true, in the case of farms of from 20 to 50 ha., area, and in that of those of from 50 to 100 ha. area there has been an uninterrupted increase in the percentage of the amount of the *lettres de gage*, whilst that of the number of farms mortgaged has decreased a little, in spite of a general absolute increase, probably due to the more considerable subdivision of the holdings of this class. The high percentage of the amount represented by *lettres de gage* held by peasant landowners is also seen in Table V, in which we see that the number of all loans up to the amount of 10,000 mks., is far the largest and shows considerable increase.

TABLE III. — *Loans Granted.*

Years	Total Number of Farms Receiving Loans	Total Amount of <i>Lettres de Gage</i> — Marks
1896	10,889	307,834,725
1901	13,562	367,537,525
1904	14,436	394,598,275
1907	15,223	421,457,075
1909	15,605	440,191,400
1912	16,614	481,371,650
1914	16,933	505,432,125

TABLE IV. — *Classification of Loans, according to the Area of the Holdings.*

Year	Holdings of Less than 20 ha.				Holdings of from 20 to 30 ha.				Holdings of from 30 to 100 ha.				Holdings of over 100 ha.			
	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent
1896 . .	1,043	3,502,625	9.6	1.2	4,179	40,381,575	38.3	13.1	2,873	43,739,550	26.4	14.2	2,794	226,216,975	23.7	71.5
1901 . .	1,925	6,372,225	14.2	1.7	5,480	—	40.4	—	3,242	—	23.9	—	2,915	—	21.5	—
1904 . .	2,269	7,823,375	15.7	2.0	5,860	46,663,300	40.7	11.8	3,353	60,743,500	23.2	15.4	2,954	279,364,100	20.4	70.8
1907 . .	2,684	9,502,350	17.6	2.2	6,131	59,882,050	40.2	12.1	3,404	63,996,425	22.4	15.2	3,044	279,076,250	19.8	70.5
1909 . .	2,936	10,639,725	18.8	2.4	6,267	59,476,125	40.2	13.5	3,430	68,027,850	22.0	15.5	2,972	302,047,700	19.0	68.6
1912 . .	3,598	14,322,175	21.7	2.9	6,703	64,087,025	40.4	13.3	3,443	77,799,875	20.7	16.1	2,870	325,162,575	17.2	67.7
1914 . .	3,002	16,260,925	23.0	3.2	6,779	67,611,175	40.0	13.4	3,420	82,305,125	20.3	16.3	2,823	339,251,900	16.7	67.1

TABLE V. — *Classification of Loans according to Amount.*

Year	Loans of Less than 10,000 Mks.	Loans of from 10,000 to 50,000 Mks.	Loans of from 50,000 to 100,000 Mks.	Loans of More than 100,000 Mks.
1911	7,012	4,805	884	860
1914	7,400	5,000	1,100	950
1917	7,800	5,250	1,250	950
1919	7,985	5,556	1,046	1,018
1922	8,366	6,056	1,090	1,102
1924	8,481	6,160	1,192	1,100

§ 3. THE SILESIAN LANDSCHAFT.

The credit system organised by the Silesian Landschaft in accordance with the regulations of May 11th., 1849 was intended to provide loans on mortgage for those farms not belonging to the Land Credit Association for Nobles' Estates.

The limits within which the farms were entitled to mortgage credit were from the start ample. First of all an area of at least 1 Prussian arpent (or 0.25ha.) of land fit for farming was required and the minimum value of the loan was 20 thalers; then, by the regulations of 1867, a net yield as estimated for purposes of the land tax of at least 30 marks was required and the minimum amount of the loan was fixed at 150 marks. In 1888, this minimum amount for the loan was reduced to 100 marks, and in 1895 the minimum for the net yield was lowered to 15 mks. The grant of loans on mortgages to small holdings, often subdivided, was then favoured by the decision of the year 1899, according to which "several holdings belonging to the same owner and forming an economic whole, when one cannot be shown in the cadastre as a portion of the other, may be valued and mortgaged as a whole." This provision removes a difficulty which often prevents the grant of a mortgage loan, since the union in the cadastre of several independent farms variously encumbered is not allowed by the courts, as the result might be a confusion of the mortgage conditions. On the other hand, the Landschaft, for the purpose of extending its mortgage loans, accepts the difficulties that may be involved in a common mortgage on several holdings separated in consequence of an auction sale of the mortgaged holdings in cases of bankruptcy, difficulties which have hitherto prevented other Landschaften including all the farms mortgaged in a single contract.

The increase in the loans and, at the same time, the facility of the concession was made possible by the following provisions. In 1899, the Manager of the Landschaft received the right to grant loans up to the amount of 20 times the net yield, as estimated for purposes of the land tax instead of to 15 times; in 1909, the amount was raised from 30 to 36 times and in 1914 to 40 times this net yield, and in this latter year the deduction made for working expenses and farming expenses were reduced in the case of holdings, the total area of which in fields, meadows, pasture land and kitchen gardens was not above 6 ha. In addition, the grant of loans was further facilitated as a result of the resolution of 1909, by which the borrower may receive, in order to meet the expenses of valuation, registration, stamp and contract duties, the supplementary loan in money up to 10% of the nominal value of the loan in *lettres de gage* at first intended only in part or entirely to make up the difference between the nominal value and the market price of the *lettres de gage* issued by the Landschaft. So also the decrease in the annuities to be paid by the debtors to meet the working expenses, from $\frac{1}{10}$ % to $\frac{1}{20}$ % of the loan, arranged in 1901, was an advantage for the peasant owners who have very largely profited by it.

As well as the general Board of Management of the Landschaft, the boards of the Landschaften of the principalities and the Landschaft officials have always zealously worked for the extension of agricultural loans on mortgage (*Rustikalbeleihung*). The General Management has published and largely circulated a small pamphlet of instructions in regard to the utilisation of the agricultural mortgage loans granted by the Landschaft. The *Landräte* (district officers), burgomasters, agricultural societies, loan and savings banks etc. have been supplied with copies. On several occasions the contents have been discussed in the communal assemblies.

The results obtained by the Silesian Landschaft through the grant of mortgage loans to peasant landholders are shown in the following tables. The number of peasants' holdings mortgaged and the total amount of the loans in *lettres de gage* have almost doubled since 1896 (Table VI), whilst the credit association for the nobles' estates shows a decrease in the number of estates mortgaged and only 20 % increase in the total amount of the loans. Precisely the number of the loans granted to small and very small holdings have above all increased since 1905 (Tables VII and VIII). That the relative importance of this increase as compared with that of the loans to larger holdings and of higher amounts is not striking is due to the fact that already in 1905, and even earlier, the proportion of the loans granted by the Silesian Landschaft to small landowners and peasants was enormously high, so that it was recognised in 1895, when the subject was considered by the Government, that the Silesian Landschaft had made large advances to the peasant landowners by means of mortgage loans and peasant property had thus been able to make great progress.

TABLE VI. — *Loans Granted by the Silesian Landschaft.*

March 31st.	Number of Holdings			Amount of Loans on Land		
	Not Incorporated	Incorporated	Total	To Holdings Not Incorporated — Mks.	To Incorporated Holdings — Mks.	Total — Mks.
1896	8,609	2,066	10,675	123,700,300	349,689,130	473,389,430
1901	11,225	2,046	13,271	158,464,200	370,447,065	528,911,265
1904	13,009	2,020	15,029	176,861,800	385,406,655	562,268,455
1907	14,314	1,988	16,302	199,969,050	398,168,275	598,137,325
1909	14,926	1,943	16,869	207,509,100	399,281,730	606,790,830
1912	15,996	1,888	17,884	220,118,950	411,262,340	631,381,290
1914	16,258	1,885	18,143	224,571,250	423,145,610	647,716,860

TABLE VII. — *Classification of Loans according to Area of Holdings not Incorporated.*

Christmas	Holdings of Less than 20 ha.		Holdings of Area between 20 and 75 ha.		Holdings of More than 75 ha.	
	Total Number	Percentage of Total Number of Holdings	Total Number	Percentage of Total Number of Holdings	Total Number	Percentage of Total Number of Holdings
1905	7,570	56.2	5,410	40.1	494	3.7
1907	8,230	57.1	5,675	39.3	515	3.6
1909	8,621	57.4	5,864	39.1	522	3.5
1912	9,242	58.4	6,068	38.3	519	3.3
1913	9,378	58.7	6,073	38.0	526	3.3

TABLE VIII. — *Classification of Loans to Holdings not Incorporated, According to their Amount.*

Christmas	Loans of Less than 10,000 Mks.	Loans of between 10,000 and 50,000 Mks.	Loans of between 50,000 and 100,000 Mks.	Loans of More than 100,000 Mks.
1905	7,962	5,104	318	90
1907	8,641	5,363	317	99
1909	8,909	5,640	356	102
1912	9,126	6,136	434	133
1913	9,219	6,185	434	139

§ 4. THE NEW WEST PRUSSIAN LANDSCHAFT.

The New West Prussian Landschaft was founded on May 3rd., 1861 for the holdings not admitted in the association of the West Prussian Landschaft (for Nobles' Estates) in the districts of Marienwerder and Danzig.

In order to receive a loan, the value of the farm as estimated in accordance with the principles of valuation of the Landschaft must be at least 4,500 marks. In 1896 the limit was reduced to 3,000 mks. Since 1909 the holdings situated beyond the dikes in the lower plains of the Vistula and Nogat, which up to then could not receive loans, can be mortgaged for an amount of 25 times the net yield as estimated for the land tax. The limit for the amount of the loans was first fixed at half the estimated value. In 1873 it was raised to $\frac{3}{5}$ ths. in the case of holdings of a value of less than 30,000 mks. and in 1896 to $\frac{3}{5}$ ths. for all holdings and, finally, in 1900, to $\frac{2}{3}$ rds. of the estimated value.

This Landschaft, like most of the institutions of similar character, took the net yield as ascertained for purposes of the land tax as the measure of the credit to be granted. The amount of the loan might at first be 15 times the yield, after 1883 18 times for holdings of an estimated value of at least 45,000 marks, after 1896 22 times for all holdings, after 1900 25 times and since 1909 it may be 30 times. This method of measuring the amount of the loan is rapid and inexpensive. For the rest, the loans are fixed according to the value of the holdings estimated in accordance with the Landschaft's principles of valuation. In 1873 the special conditions of small holdings were met by the introduction of essential changes in the principles, especially by the subdivision of the districts according to the conditions of the soil, the introduction of amounts to supplement the value of the bare soil, and the taking of the value of the buildings into consideration.

Various measures were adopted for the purpose of reducing the burdens imposed on the debtors. Thus in 1896 the obligation of paying 1 % of the nominal amount of the mortgage loan as contribution to the working expenses, at the moment of receiving the *lettres de gage* was abolished, as was also in 1900 that of contributing $\frac{1}{4}$ % to the costs of management. Another facility was granted the landholders in 1909 when it was decided that the $\frac{1}{2}$ % hitherto paid for 2 years as contribution to the working expenses and then for eight years as contribution to the guarantee fund, should only be paid for the first two years as contribution to the working expenses and then for four years as contribution to the guarantee fund and afterwards collected as instalments towards the repayment of the loan.

The following tables show the progress made by the New West Prussian Landschaft. Whilst in the West Prussian Landschaft the number of holdings mortgaged and the amount of the loans have decreased since 1896, in the New West Prussian Landschaft both have nearly doubled themselves

since that year (Table IX). The number of small holdings mortgaged, above all those of 20 ha. area, and of areas of between 20 and 50 ha. has increased to a greater extent than that of the larger holdings (Table X). We may also observe the larger number of loans to small holdings, and the increase of the number of small loans (Table XI) on *lettres de gage*.

TABLE IX. — *Loans Granted by the New West Prussian Landschaft (for Peasant Holdings) and the West Prussian Landschaft (for Nobles' Estates).*

Year	Number of Holdings Mortgaged to the		Total	Amount of Loans Granted by the		Total
	New West Prussian Land-schaft	West Prussian Land-schaft		New West Prussian Land-schaft	West Prussian Land-schaft	
				Marks	Marks	Marks
1896	5,661	—	—	101,617,670	143,757,880	249,375,550
1901	6,656	859	7,515	117,777,090	135,901,055	253,677,145
1904	7,821	808	8,629	152,896,810	136,667,085	289,563,895
1907	8,833	719	9,552	172,412,970	127,067,355	299,480,325
1909	9,604	693	10,297	186,278,210	124,394,005	310,672,215
1912	10,931	653	11,584	215,571,710	128,037,775	343,609,485
1914	11,865	640	12,505	244,199,280	132,707,830	376,907,110

TABLE X. — *Classification of the Number of Loans Granted by the New West Prussian Landschaft, according to the Area of the Holdings.*

Year	Holdings of less than 20 ha.		Holdings of between 20 and 50 ha.		Holdings of between 50 and 100 ha.		Holdings of more than 100 ha.	
	Total	Per-centage of total	Total	Per-centage of total	Total	Per-centage of total	Total	Per-centage of total
	Number	Number of Holdings	Number	Number of Holdings	Number	Number of Holdings	Number	Number of Holdings
1905. . . .	3,160	38.3	3,368	40.9	1,179	14.3	540	6.5
1914 (Estimated Figures)	4,650	39.2	5,000	42.1	1,700	14.3	515	4.4

TABLE XI. — *Classification of Loans Granted
by the New West Prussian Landschaft according to their Amount.*

Year	Loans of less than 6,000 marks	Loans of between 6,000 and 15,000 marks	Loans of between 15,000 and 30,000 marks	Loans of between 30,000 and 60,000 marks	Loans of more than 60,000 marks
1896. . . .	1,649	2,319	893	483	317
1901. . . .	2,101	2,617	1,074	530	334
1904. . . .	2,427	2,814	1,381	718	481
1906. . . .	2,636	3,008	1,562	850	514
1914 (Estim- ated Figures)	3,636	3,908	2,462	1,150	709
	Below 10,000 marks	Between 10,000 and 50,000 marks	Between 50,000 and 100,000 marks	Above 100,000 marks	
1914. . . .	6,035	4,726	774	330	

(To be Continued)

MISCELLANEOUS INFORMATION RELATING TO CREDIT

CANADA.

AGRICULTURAL CREDIT IN BRITISH COLUMBIA. — From a note in the June number of the *Journal of the Board of Agriculture* (London) we extract the following information relating to the provisions for the granting of loans to agriculturists which are made in the "Agricultural Act, 1915" of the province of British Columbia.

The Act establishes an Agricultural Credit Commission with power to purchase, let and deal in real and personal property and to grant loans on the security of mortgages for the following purposes: (1) the acquisition of land for agricultural purposes; (2) adaptation of agricultural land, or; (3) any purpose calculated to increase the productiveness of agricultural land.

The loans may be made only against first mortgages on surveyed agricultural land in the province, on the basis of valuations carried out by a Department of Appraisal and Valuation to be established by the Agricultural Credit Commission. In granting the loans the Commission must take into consideration: (1) the ascertained value of the property; (2) the ability of the borrower to make a living for himself and his family after the expenditure of the loan; (3) whether the loan will be of economic benefit to the borrower. No loan may exceed 60 per cent. of the appraised value of the security nor may any loan be made for more than £2,000 (approximately) in the case of individuals, though this amount may be exceeded in certain instances in the case of associations. Loans may be paid in instalments as the productive work for which the loan is required proceeds.

With regard to repayment, loans may be: (1) long-dated (repayable in 20, 30 or 36 $\frac{1}{2}$ years); (2) short-dated (from 3 to 10 years); (3) for a single season (repayable within 12 months). The rate of interest is to be fixed from time to time on the basis of not more than 1 per cent. above the rate actually paid by the Commission on funds raised by them for their own purposes.

If the loan or interest remain unpaid, or if the loan is not applied for the specified purpose, or not expended carefully and economically within a reasonable time, or if agreements are not observed, the Commission may refuse further instalments and may recover advances made by entering upon and taking possession of the security,

SPAIN.

LOANS ON PLEDGE OF AGRICULTURAL PRODUCE INSTITUTED BY THE ELICHE SAVINGS BANK. — With the object of combating usury and solving the problem of agricultural credit, in one of its most complex and difficult forms, that is, for small tenant farmers and even for small landowners, the Savings Bank and Pawn Institute of Elche (Province of Alicante) has recently included among its operations the grant of loans on pledge of grain, vegetables and fruit.

The fact in itself is specially important, first of all, because to our knowledge it is the first appearance of the system of agricultural pledge in Spain. And then, if the example is followed by similar institutions in the country, the poorer peasants, who have, besides their personal security, — which is seldom accepted alone, — only the fruit of their labour to offer in return for the credit which is frequently necessary for their work, will no longer be compelled to borrow on ruinous conditions from professional money lenders.

The form of contract adopted by the Elche savings bank for this special purpose is not as perfect as that in use in other countries; let us, however, remark that, whilst in those countries this special form of credit is protected and regulated by legislative provisions, the savings bank in question has decided to conform to the provisions of the Civil Code in regard to pledge generally, as up to the present no other legal provision has been made in Spain.

An examination of the operations of credit on pledge of agricultural produce conducted by this savings bank shows that they may be divided into three classes:

- (1) When the borrower consigns the pledge to the bank as security;
- (2) When the pledge remains on a farm of the borrowers;
- (3) When it remains on a rented farm.

In the first case the pledge is given directly. In the second, the farm on which the produce remains is mortgaged, and the mortgage is cancelled when the pledge comes into the possession of the bank. In the third case, instead of a mortgage, the bank accepts the personal security of two rate-payers in the municipality, until the produce comes into its possession.

In all three cases, the amount of the loans is limited to from 10 to 100 pesetas; they are granted for three months from date of delivery of the produce at the rate of 6 % per ann., plus 1 % for storage and maintenance.

The produce given in pledge in the second and third cases must be consigned within the term of 9 months from date of conclusion of contract. If accidental circumstances, amply justifiable in themselves, do not permit of this, the rate of interest will be raised from 6 to 8 % or the loan will be called in.

The bank is not responsible for losses through fire or other losses due to unforeseen accidents or intrinsic defects in the produce pledged; but, to prevent damage to the grain from certain insects, it undertakes to employ every means possible against them.

The produce not redeemed at the proper time will be sold by public auction at the earliest opportunity. Lists of the produce will be published in advance and the borrower may still redeem it up to twelve o'clock on the day before that fixed for the sale.

From the proceeds of the sale of each lot deduction will be made of the capital lent on security of it, together with interest and the costs of the auction; the party concerned may withdraw the balance within three years, on surrender of the pledge certificate.

These are in outline the provisions by which the Elche savings bank has been guided in attempting the introduction of the system of credit on pledge of agricultural produce.

UNITED STATES.

FARM CREDIT IN KANSAS. — In the *American Economic Review* for March, 1915, Mr. George E. Putnam of the University of Kansas describes the results of an enquiry into the rural credit situation in that state carried out by the University early in 1914.

The enquiry was conducted by correspondence. Schedules of questions were sent to bankers, farmers and merchants in each of the 105 counties, an attempt being made to secure replies in each case from the county town and from at least one rural district in the county. Replies were received from at least one banker and one farmer in each county, and, in all, replies were received from 179 bankers, 122 farmers and 80 merchants.

It is not claimed that the enquiry has brought to light any new fact of importance, but the results are interesting as showing the close relation between the nature of the security which the farmer offers and the rate of interest charged him for loans. The information collected relates to both land mortgage loans and personal loans.

The interest on mortgage loans varies, as one passes from east to west through Kansas, from 6 to 10 per cent. In the table below particulars as to the prevailing rates are shown together with other particulars extracted from Volume VI of the *Thirteenth Census*.

TABLE I. — *Mortgage Loans.*

No. of counties			Rate of Interest	Mortgage indebtedness	Per cent. of total mortgage indebtedness	Per cent. of total rural population	Per cent. of total number of farms	Per cent. of total farm acreage
Eastern	Western	Total						
21		21	6	\$ 25,357,810	35.80	28.7	26.9	18.6
38	6	44	6-7	36,380,322	51.40	54.0	53.8	45.8
	2	2	7	918,084	1.30	1.3	1.3	2.4
	6	6	7-8	2,725,848	3.80	4.1	3.9	6.3
	11	11	8	3,207,220	4.50	6.2	6.4	12.8
	8	8	8-10	1,586,310	2.20	3.2	3.7	7.1
	13	13	10	644,152	0.09	2.7	3.4	6.6

In the table the rates under 10 per cent. include agents' commissions. In the eastern half of the state, for example, life insurance companies lend at nominal rates of 5 and 5 $\frac{1}{2}$ per cent., but the commission charged by the local agent who effects the loan adds at least one per cent. to this rate. Banks and mortgage companies seldom lend in any part of the state at less than 6 per cent., but the commission on loans from these institutions is less than in the case of life insurance companies. In addition to commission the borrower has to bear the cost of proving a clear title to his land, and he usually has to pay also recording fees, notary fees and charges for inspecting the property.

Mortgage loans are generally made for a term of five years. In the western counties shorter terms are common, but in these counties bankers and other investors avoid mortgage loans and show a decided preference for chattel mortgages and promissory notes.

Short term loans either on the security of the integrity of the borrower or on chattel mortgages are made by banks and merchants, generally, in the first instance, for three or six months. In recent years it has become the practice to renew such loans at maturity. The merchants furnish credit to the farmer either by allowing him book credit or by accepting his note. All notes of this kind are made payable in the autumn soon after the crop has been harvested. Payment for heavy machinery is sometimes extended over two years, and in this case the farmer pays a part of his note after the first crop is harvested and gives another note, payable after the following year's harvest, for the balance. According to the merchants themselves not more than 25 or 30 per cent. of their sales are for cash.

The prevailing rates of interest on short term loans, together with some information as to the agricultural development of the various sections of the state, are shown in Table II.

TABLE II. — *Short Term Loans.*

Eastern	No. of counties		Rate of interest	Per cent. of total farm acreage	Per cent. of total number of cattle	Per cent. of total value of implements and machinery
	Western	Total				
6	—	6	7-8	3.3	4.1	5.3
39	2	41	8	41.7	51.4	50.6
14	16	30	8-10	32.0	31.4	31.3
—	28	28	10	22.8	12.7	12.5

The rates given above are slightly below the actual rates paid by borrowers, for in practice the interest is deducted in advance from the amount of the loan.

It will be noted that the western counties where the highest interest is charged make a poor showing with respect both to cattle and to implements and machinery.

One of the questions asked of correspondents was whether they considered existing rates too high. In the 46 counties in the western half of the state bankers were evenly divided in their opinion, while four out of five of the farmers who replied were completely dissatisfied with existing rates. In the eastern half of the state the farmers appear to be satisfied, and as a matter of fact the majority of the shareholders in many of the country banks are farmers, and they, naturally, have no interest in seeking to reduce rates. Nor does the transient farmer who is really speculating in land values, wish to see rates reduced, as his object usually is to accumulate a surplus, retire from the country into the town, and become a lender in his turn. It was noted, too, in the course of the enquiry, that a good many of the farmers seemed to be indifferent as to what rates they were paying provided that loans could be obtained.

American farmers are given to complaining that they are compelled to pay higher interest rates than traders or manufacturers. As far as mortgage credit is concerned the complaint is unfounded in Kansas, where the evidence shows that the rate on city real estate loans is higher by from $\frac{1}{2}$ to 2 per cent. than the rate on farm mortgage loans. About one third of the banks which reported gave the rate to merchants for short term loans as slightly lower than the rate to farmers, but as a matter of fact the difference is small. Where the farmer paid 8 per cent. the merchant is reported to pay from 7 to 8 per cent.

The question of the increase in tenancy is invariably brought forward whenever the subject of credit for agriculture is under discussion in the United States. It is noted by the writer in the *Economic Review* that while

land values are so high that land yielding \$ 3 an acre often sells for more than 100 dollars an acre, a farmer who wished to become an owner on borrowed capital would have to pay an interest rate of 6 per cent., which would be increased by supplementary charges to 7 per cent. Obviously there is no inducement for a working farmer to purchase a farm, with the result that the percentage of farms in Kansas operated by tenants has increased from one census to another as follows :

1880	16.3	per cent
1890	28.2	" "
1900	35.2	" "
1910	36.8	" "

Another of the questions asked in the enquiry was : " What percentage of farmers, in your opinion, would be willing to form co-operative credit associations ? " In reply, 36 farmers expressed the opinion that no farmer would be found to form such associations, chiefly on the ground that no farmer could give a lien on his property for the collective benefit of any group of persons ; 52 farmers had never heard the question discussed and declared themselves unable to give an opinion ; 34 gave estimates which varied from 2 per cent. to 100 per cent. of the farmers of their acquaintance. Evidently in Kansas the co-operative spirit is as yet but little developed.

Whether, however, the cause be the badness of the farming in Kansas or the wickedness of the bankers there, it cannot be denied that rates upon loans, whether for short or for long terms, seem to be too high to leave the farmer a sufficient return for his labour. Certainly, if it is intended to encourage farm ownership and discourage renting it will be necessary to find some method of providing the necessary capital at considerably less than per cent.

GREAT BRITAIN AND IRELAND.

CREDIT FOR LAND IMPROVEMENT IN GREAT BRITAIN. — The following figures, showing the amount of loans granted in Great Britain in each year from 1911 to 1914 for improvements under the various Drainage and Land Improvement Acts, together with the total amounts advanced since the earliest of these Acts (The Public Money Drainage Act, 1846) came in operation, are taken from Part II of the Annual Report of the Board of Agriculture of Proceedings under the Small Holdings and Allotments Acts, 1910 and 1910, the Universities and College Estates Acts, etc., for the year 191

Purpose of Loan	1911	1912	1913	1914	Period 1847 to 1914
	£	£	£	£	£
Drainage	4,298	2,195	991	1,687	9,136,063
Farm Buildings	42,696	19,668	34,409	26,280	5,022,965
Labourers' Cottages	20,948	19,564	31,122	37,126	1,460,426
Mansion Houses, etc.	6,636	3,082	4,977	9,995	961,173
Fencing and Embankment	2,123	494	1,568	262	484,574
Roads	4,421	2,305	1,320	5,208	252,733
Clearing and Reclamation	—	—	—	500	147,972
Planting	276	308	120	500	109,475
Subscription to Railways	1,000	—	—	—	130,673
Water Supply	6,804	7,158	16,999	7,825	175,653
Other Improvements	12,493	23,216	12,732	12,894	393,121
Total	101,695	77,990	104,247	102,277	18,773,928

The Report quoted contains also the figures for the periods 1847 to 1872 and 1873 to 1883, and for each year from 1883, but these have already been reproduced in this *Bulletin*. They will be found in the issue of May 1911, appended to an article entitled "Credit Facilities for Land Improvement in Great Britain," in which the provisions of the various acts in question are outlined.

ITALY.

"FEDERAZIONE PER IL CREDITO AGRARIO NELL'UMBRIA" NEL 1914. — Law no 7 of January 2nd., 1910 on Agricultural Credit in Marche and Umbria (1) instituted in each of these regions a Federation of *agricultural banks* and *institutes for rediscounting* (savings banks and co-operative banks), as a voluntary association. These Federations have to administer the funds assigned by the same law for operations of Agricultural Credit, amounting as we know to 700,000 frs. for Marche and 400,000 fr. for Umbria.

They have especially to provide the capital for agricultural banks and temporarily invest the funds not yet utilised for the purpose.

(1) In regard to the system of agricultural credit in Marche and Umbria, see the article in the number of this *Bulletin* for June, 1915.

The Umbrian Federation has recently published its report for the year 1914 (1), from which it appears that on December 31st. of that year, there were 14 agricultural banks that had been founded in the region and were recognised by the law. Of these ten had granted subventions in the form of bills for a total amount of 74,354 frs. (against 28,543 frs. granted by 5 banks in 1913), that is to say, 38,999 frs. for purchase of manure, 27,435 frs. for purchase of live and dead stock, 7,085 frs. for farming expenses and 835 frs. for expenses in connection with the harvest. The Federation closed its account with a profit of 6,907 frs.

The report ends with the following desires, which it was decided at an important meeting of the representatives of the various agricultural institutions of the region, held at Perugia, on February 21st. last, should be submitted to the Minister of Agriculture, Industry and Commerce:

(1) that, in the new arrangements for agricultural credit, there should be included the constitution of a *Central Rediscount Bank* for the agricultural Banks and Associations of the region, the initial capital of which could be formed out of the fund accumulated and to be accumulated by the Federation for Agricultural Credit and any eventual balance from the amount of 400,000 frs. assigned by the law of January 2nd., 1910 and might be in due course completed by means of other contributions;

(2) that, among the amendments to be made in the law should be included the modification of the rate of interest both for discount and rediscount, according to the variations in the official rate of discount, and that the rate fixed according to article 9 of the above law should be abolished.

(3) that the provisions for the grant of loans should be simplified.

(1) See: *Federazione per il credito agrario nell'Umbria: Relazione del Consiglio*

derale per l'esercizio 1914. Perugia, Benucci, 1915.

Part IV: Miscellaneous

AUSTRIA.

FARM TENANCY CONTRACTS IN SOUTHERN AUSTRIA (*Continued*)

§ 3. DALMATIA.

Dalmatia, the southernmost province of Austria, is a long strip of land along the east coast of the Adriatic Sea, bounded on the North by Croatia, on the East by Bosnia, Herzegovina and Montenegro and on the South by Montenegro. The northernmost point is the little island of San Gregorio, North of the island of Arbe, lying between the Channels of Quarnero and Morlacca; the southernmost is Spizza, ceded to Austria, by Turkey in accordance with the decision of the Congress of Berlin of 1878. Dalmatia has an area of 12,835 square kilometres and the population was in 1911 642,810, inhabiting 129,000 houses in 86 communes and 861 fractions of communes. Of the population, 86.12 % were engaged in agriculture, 4.58 % in industry and mining, 4.08 % in trade, and 5.22 % were employees in the Government service or soldiers, belonged to the professional classes or else had no occupation.

The Dalmatian population derives its means of subsistence from the sea, as seamen, or from industries connected with shipping, fishing (especially on the islands), the cultivation of olives, vines and grain. The productive soil of Dalmatia may be divided as follows: 137,238 ha. grain land, 81,853 ha. vineyards, 37,024 ha. orchards and vegetable gardens, 10,492 ha. meadows, 593,900 ha. grazing ground, 13,383 ha. productive marsh land, 381,672 ha. forests, (31,992 ha. being olive groves and 53 ha. chestnut woods). Of all the Austrian provinces, Dalmatia has the largest proportion of grazing ground (46.28 %) and, with the exception of the Littoral, the largest proportion of land cultivated with vines (6.38 %) and vegetables (2.89 %) and the smallest of

that cultivated with grain (10.69 %) and as meadows (0.82 %). The forests of Dalmatia are now reduced to insignificance in comparison with what they used to be and their value is small; thus a source of revenue has gradually disappeared which, formerly, rendered the country really rich. The forests of Dalmatia in 1910 covered 381,678 ha. or 29.7 % of the entire area. The warm climate favours the cultivation of southern fruits and vines. The wine produced in 1912 was 388,000 hectolitres; and the best wines are the Malvasia of Ragusa, the Moscato, of Almissa and Macarsca and the wine of Lissa. Viticulture has developed largely in recent years; red Dalmatian wine is exported in large quantities to France, where it is mixed with French wine to make clarets. Table grapes in 1912 were produced to the amount of 28,114 quintals, figs to that of 60,609 quintals, chestnuts to that of 3,212 quintals, olives to that of 44,657 quintals and almonds to that of 20,235 quintals. The wheat produced in 1912 was 334,311 quintals, the rye 49,312 quintals, the barley 188,325 quintals, the oats 18,921 quintals, the maize 504,895 quintals, while the potato crop was 372,263 quintals and that of tobacco 27,632 quintals.

According to the livestock census of 1910, Dalmatia had 26,520 horse 104,716 oxen, 254,896 goats (as regards the number of its goats Dalmatia came second to Bosnia, which had 406,362), 70,849 pigs, 1,027,714 sheep and 28,268 asses. The production of cocoons is small and not more than 260 quintals.

The fisheries brought into the country in the season of 1911-1912 about 10,500,000 crowns, half of which was made by fishermen of the Kingdom of Italy and half by those of the country, fishing off the Dalmatian shores (1).

After these general remarks in regard to the nature, population, agriculture and wealth of the country, we shall go on to consider the characteristic features of the farm tenancy contract in Dalmatia.

For the sake of clearness, we shall group our observations under three heads, in doing which we shall not be merely guided by geographical reason but by the special circumstances to which the peculiarities of the system of contracts in the different areas are due.

A. — Northern Portion.

There is nothing in common between the farm tenancy contract in Dalmatia and that in use in the provinces with which we have been so far concerned. The only resemblance is that also in Dalmatia the produce is divided. Further, it must be borne in mind that the Dalmatian farm tenancy contract is not an institution of a single form, but its forms are various differing according to their origin and their purpose. Geographically,

(1) See: *Oesterreichisches Statistisches Handbuch*, 1912; Vienna, 1913, Herolds Sohn & Statistisches Jahrbuch des K. K. Ackerbauministeriums für das Jahr, 1913, Vienna, 1914 Hof und Staatsdruckerei.

Just consider Northern Dalmatia apart from the territory of the former republic of Ragusa and the district of Cattaro. Northern Dalmatia itself may be, as regards farm tenancies, divided into three regions, the first the coast region, the second a strip of land in the interior and the third the Dalmatian districts bordering on Bosnia. It is, however, not possible to assign to these regions geographical limits, as everywhere one system passes into another. Even the Dalmatian islands possess their own quite special institutions.

The principal characteristics of the Dalmatian farm tenancy contract are that the landlord gives the tenant uncultivated land; the latter clears and plants it. The yield is equally divided, but often also the division is made differently so that the landlord receives only a third, a fourth or even only one seventh; the rest is the tenant's. Equal division is very rare under this form of contract and we only find it when the tenant receives and already prepared for cultivation. The contract lasts for the life of the plant, in the case of vineyards twenty or fifty years or even longer, in that of grain farms for a single year.

By the side of this fundamental type of contract, we find also that of *métayage*; in the mountain regions the vineyards are cultivated by the landlord, while the arable land is assigned to tenants.

It is very important to observe that the Dalmatian tenants, in contrast with those of Friuli, are almost all small holders and we find everywhere an alarming deficiency of labourers.

From the legal point of view, we may say that the Dalmatian farm tenancy contract is not considered in the Austrian Civil Code, owing to the fact that, at the time the Code came into force, Dalmatia was not yet subject to Austria.

The peculiarities of these contracts are not so much the effect of legal influences, which, however, have been of considerable importance, but chiefly of the kind of crops cultivated in the district, that is to say of causes above all of economic character; consequently, we must consider the various agricultural regions into which the country may be divided and group the various districts on the basis of the above elements.

Let us commence with the North of Dalmatia, from the city of Nona to that of Zara. Here the tenants are generally small landholders and many of them again have tenants under them.

Generally the tenant must give the landlord the seventh part of the vineyard produce and a quarter of the grain; if, however, the landlord supplies the seed and manure for the grain, the produce is divided equally.

In the territory of Nona, the tenant's right is rarely registered in the land books, because, the grain farms are of greater importance there than the vineyards, and for them the contract only lasts one year, that is the life of the plant; another reason why the tenant's right is not registered is that farm improvements are not of great importance here. All the same the tenants often consider themselves as proprietors and sell their tenancy rights (the right of cultivating and improving the farms) even without the

consent of the landlord. In case of cancellation of contract, the tenant is usually compensated for improvements.

To the south of Zara, as far as Zaravecchia and Vrana along the coast above all at San Cassiano, San Filippo e Giacomo, Zaravecchia and Janakolovica, there are special uses with regard to the term of contract, and here it is understood that the contract, in the case of vineyards, lasts until for three consecutive years the produce has only been a fourth of the average. New vineyards become the property of the landlord before the renewal of the contract: this is important, because it prevents the contract being abusively extended as elsewhere happens by means of new plantations which are not completed.

In this district there is also another special custom, by which tenancy contracts in regard to arable land, orchards and mulberry plantations last for a period of twelve years. Finally, whilst elsewhere the tenancies may be divided amongst the tenants' heirs, in some places even without the landlord's consent, on this part of the Dalmatian coast no division among the heirs is allowed.

Here also we often find that the tenants are small independent land holders; and in the case of vineyards the tenants' rights are registered in the land books. The landlord usually receives a fourth or a fifth of the produce; in the case of vineyards planted by the tenant the landlord's share is reduced to one seventh. At San Filippo e Giacomo, there is a special clause in the contract that only one of the tenant's sons has a claim to inherit. With regard to the term of the contract the use is here that when there are 30 or 40 olive trees on a hectare, olives are considered the principal crop and the term of the contract corresponds with the life of that plant. The landlord's share is, usually, the fourth or fifth part of the vineyard produce, the fifth of the grain, half, one fourth or one fifth, of the olives, according to the position and character of the crop. The tenants recognise the landlord as owner of the soil, but they consider the plantations their property.

At Zaravecchia the conditions are nearly the same as above. The landlord's share is usually a fourth. Compensation is given for improvements either in full or in proportion to the shares of the contracting parties.

At Sebenico olives form the principal and most remunerative crop. Every plant is of great value in view of the large crop each tree yields. Hence it is customary to transfer the property of the individual plants to third parties, independently of the soil, which remains in the possession of the landlord; the owners' rights thus acquired are registered in the land books. Owners of individual plants may again transfer their rights to others.

The conditions are not very different at Spalato, in the Seven Castles that is to say the localities on the north of the gulf of Salona as far as the district of Traù, and in the territory of Traù itself. Of course there are everywhere special local peculiarities which it would take too long to point out here; on the other hand if these details are of great importance for the study of the conditions, of the various localities of this region, they

not affect the general outline we have given here of the farm tenancy contracts and the relations between landlords and tenants in this part of Dalmatia.

The same may be said with regard to the inland districts, corresponding with the localities on the coast above considered.

* *

Recapitulating, we may say that the principal form of contract in North Dalmatia, is that by which the tenant receives vineyards and olive gardens for the period of the life of the plant in return for a portion of the produce.

The amount of the landlord's share depends upon whether the land is or is not in a condition to give an immediate return, on the quality of the soil and its position. We do not find here cases in which the tenant has to work for the benefit of the landlord without pay, or if there are such cases the conditions are not severe. Improvements are compensated for in proportion to the shares of the contracting parties, and the burden of the public taxes is shared in the same proportion. Contracts for hire of rain farms are unimportant in these parts. Agriculture suffers in two ways by these farm tenancy contracts; first of all, because the tenant, who has to share his harvest with the landlord, neglects to cultivate the soil intensively; the tenant sees in increased production only a profit for the landlord and does not consider that this is accompanied by an increase of his own share of the profit; secondly, because the old tenancy contracts take no account of the yield from hay, and often not of that from fruit trees so that the landlords are against the cultivation of such crops. Hence the absence of meadows easily observable in Dalmatia and the deplorable condition of livestock improvement there. The comparatively long term for vineyard contracts and that longer still for olive gardens, the destructions that take place on the farms during these terms, the partly abusive and partly tacit extension of the terms, the habit of selling new plantations etc. have all led to considerable confusion from the legal point of view; this confusion has finally increased with the registration of the tenants' rights in the land books in vine and olivegrowing districts. It is indeed true that thus a certain stability has been given to the conditions of fact, but this has been done in a way that does not appear correct either from the point of view of the law or from that of economic interests, and the less so as by this expedient the idea of the existence of a real hereditary right has been strengthened in the minds of the population of these parts. These considerations would have no importance if the question had been thus settled permanently; but it certainly can not be said that this has been done, because the landlord always has the power to put in force his right to evict the tenant if he neglects the farm entrusted to his care or in case of any breach of the contract on his part. Certainly, the farm tenancy contract has reached its maximum development, from certain points of view of the common law, in Dalmatia and above all

in certain regions of the country. The progress, which may easily be seen when the forms of contract we have sketched are kept in mind, has been great and, from many points of view, surprising.

Let us first of all consider the tendency to extend the term of the contract as far as possible; thus, from the annual contract usual in Austria-Friuli we advance gradually, through intermediate forms, by the substitution of long term contracts and contracts for the life of the plant yielding the principal crop on the farm held by the tenant. Another stage of the development is certainly shown by the registration of the tenant's rights in the land books; the consequences of this cannot yet be certainly foreseen; it is, however, certain that in this way the idea of the existence of hereditary rights is intensified, and when once this idea has become firmly rooted it is not impossible that it will have far reaching effects on the constitution of the landed property of these countries.

B. — *The Former Republic of Ragusa.*

The institution of farm tenancies in the territory of the former Republic of Ragusa, was already regulated in a serious manner by the laws of the republic and received from the same a quite special character in virtue of its special conditions and its historical evolution. But all that is now only of importance from the point of view of history, while the present situation may be compared with that of Northern Dalmatia, which it has been approaching near and nearer. The *Contadinato* as it was called, by which a cottage was let to peasants in return for payment in labour, lost all importance in 1877. The lease of land in form of *Ujvet*, in return for payment in kind, becoming rarer and rarer. What is called *Poklon*, the cession of a small garden by the landlord in return for payments in kind, still exists, but it is not of great importance from the point of view of the national economy. The same may be said of the *ius lignandi*. The registration of tenant rights in the land book has sapped the original theory, according to which the farm tenancy contract was considered, for the purposes of the register as a right purely derived from an obligation (*obligatorisches Recht*); on the contrary the idea is insinuating itself that it is a real right. It is to be noted that the houses are usually owned by the landlords, that the tenants (peasants) pay an annual rent of 5 florins or a lump sum of 10 florins and the landlord may evict them at any moment, without adduce any reason, on giving compensation for improvements, while, if the tenant abandons the farm of his own will, he forfeits all right to compensation for improvements.

In regard to the economic conditions and more especially the agricultural conditions of the region, we shall briefly say that they are anything but flourishing; emigration, the rise in wages, and the unsatisfactory financial situation of the landlords, have created difficulties which have led to the abandonment of entire agricultural districts, for example, the country round Ragusa, now altogether uncultivated. The tenants try to get the

contracts cancelled; they neglect to work the farm so as to give a pretext for this and then obtain compensation for improvements. In the case of land previously uncultivated, the landlord's share is generally a fourth of the produce of the vines and a third or fourth of that of the olives. In the case of land already cultivated, he receives the half of both crops. He must take his share in the expenditure on sulphur, sulphate of copper and manure. We often find in this region that the land is sublet, divided and the improvements sold without consent of the landlord, and the law recognises such transactions as valid. All this can only happen because in the territory of Ragusa the term of the contract corresponds with the life of the plant, although, as before said, the landlord theoretically has a legal right to cancel the contract at any moment. Often the tenant is only compensated for improvements in proportion to his share in the produce and the custom has grown up by which the landlord may only cancel the contract if the tenant does not work the land for three consecutive years. The contracts are generally terminated by verbal agreement.

C. — *Gulf of Cattaro.*

In the territory of the Gulf of Cattaro, farm tenancy contracts are little known and only met with in the remoter parts of the region near Castelnuovo, Teodo, Lastua etc. The houses belong to the tenants, the landlord's share in the produce is one third and he contributes in the same proportion towards the payment of taxes. The landlord may cancel the contract at any moment, but must give compensation for two thirds of the improvements as legally valued or freely agreed to between the parties. Often the tenant keeps the landlord's share of the produce, paying him instead in cash or a fixed amount in kind. Here and there however we find the landlord's share is a half, a fourth or a fifth. The extreme subdivision of the soil and the worthlessness of the farms prevent farm tenancies from really developing here.

COLUMBIA.

AGRICULTURE IN COLUMBIA AND THE PROBLEM OF COLONISATION

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The Republic of Columbia, the ancient Eldorado, is one of the countries most favoured by natural resources, fertility of soil, and variety of climate. It has been truly said that along with California it is the country of the world richest in minerals. Gold, silver, platinum, copper, emeralds, mineral oils and so forth are found there in abundance. At the same time the diversity of climate and the fertility of the soil produce a large variety of valuable hard woods and all kinds of crops from wheat to cacao.

This new country only needed a long period of peace to establish the economic machinery needed for the exploitation of its natural wealth. Unfortunately, the prolonged struggles for the conquest of independence were followed by a series of internal disturbances which paralysed all development from the start. It would now, however, seem that all parties have put an end to their rivalries and have united their efforts to promote progress.

And with peace confidence is returning. Timely legislative measures taken by the Government have already led to appreciable results. The rate of exchange which at the time of the civil war, in October 1902, had reached the high figure of 18.9 %, has fallen rapidly and for some time past 10 % has been the prevailing rate. Population and trade increase from year to year.

But this progressive movement is but the first step towards the economic development which Columbia should attain in view of its vast natural resources. Grave difficulties have still to be overcome, the most serious of which is lack of labour. Before, however, dealing with this important question and with the steps taken by the Government to solve it, we will follow the plan adopted by us in the case of other countries of Latin America, and briefly review the geographical and economical conditions of the country.

§ 1. NOTES ON THE ECONOMIC GEOGRAPHY OF COLUMBIA.

(1) *Geographical Conditions.*—Columbia is situated in the north western portion of South America, in the tropics, extending between latitude $12^{\circ} 25'$ north and $2^{\circ} 5'$ south, and longitude 68° and $79^{\circ} 5'$ west (Greenwich). It covers an area of about 1,570,000 sq. km. (1), ranking in size as the fifth of the republics of Latin America, coming next after Brazil, Argentina, Mexico, and Bolivia.

Topographically it may be divided into two main zones: the western consisting of a mountainous region formed by the spurs of the Andes, covering a little over one third of the country, and the eastern, consisting of a vast plain with two watersheds, the north-east, and the north-west which unites with the basin of the Amazon and its tributaries.

The mountainous region consists of the great chain of the Cordillera of the Andes. To the south, along the frontier of Ecuador, the main section of this chain forms a great mountainous block known as "Los Pastos", with two ramifications branching out to the north-east. The one stretching to the left, the western Cordillera or Chocó, extends inland from the coast for a length of nearly 1,000 kms.; the other ramification known as the central Cordillera, or Quindío chain, runs parallel to the former, but is rather loftier and of volcanic formation. In its turn it gives rise to another chain, the eastern Cordillera or that of Sumapaz, one of the branches of which rises at the extreme north of Columbia with the gigantic Sierra Nevada of Santa Marta which commands the coast with its five peaks, the loftiest of which attains a height of 5,800 metres.

The position of these mountain-chains, running parallel to one another in a north-easterly direction, is extremely advantageous to the country, for they form valleys traversed by rivers whose length and course make of them magnificent natural water-ways. There are three distinct basins: the central basin through which run the Cauca and the Magdalena; the eastern basin, which in its turn subdivides into the valley of the Orinoco and of the Amazon.

Though situated in the tropics, Columbia has a great variety of climate owing to the different altitudes of its several regions, and thanks also to the

(1) It is impossible to state accurately the area of Columbia as all its frontiers have not yet been finally fixed.

admirable distribution of its water-courses and to the ventilation of its valleys. Climatically it may be divided into three zones.

The hot or tropical zone, comprising the sea-coasts, the plains, and the valleys of the great rivers, that is to say all that portion of the country the altitude of which does not exceed 1,000 metres. This zone is for the most part unhealthy; the average temperature varies between 22° and 30° degrees centigrade; the fertility of the soil is extraordinary.

The temperate zone, including the high valleys and the slopes of the Cordilleras at an average altitude of from 1,000 to 2,600 metres. The average temperature is from 15 to 22 degrees C. and the climate is pleasant and healthy.

The cold zone, comprising territories situated at an altitude of over 2,600 metres, where the temperature does not rise above 15° C.

(2) *Population.* — The predominating race is white, of Spanish origin, and much mixed with native blood; it represents nearly 50 % of the total population. Next comes the black race (35 %) and the native race (15 %). The 1912 Census returns the population at 5,472,612 inhabitants (1) which would make Columbia rank fourth among the countries of Latin America, that is to say after Brazil, Mexico and Argentina. The population is constantly growing as is shown by the following table:

Year	Inhabitants
1770	806,209
1825	1,223,598
1845	2,050,137
1871	2,951,111
1905	4,353,777
1912	5,472,613

The density of the population is 4 inhabitants per square kilometre, a very low figure in view of the natural wealth of the country, but readily understood if we take into account the long period of struggles which have paralysed commercial development. Owing to these same causes Columbia has been unable to attract those currents of immigration to which other South American countries owe their present prosperity. Even to-day, spite of all the efforts made by the Government, immigration in Columbia is insignificant though the absence of official statistics prevents us from giving precise figures. It must also be remembered that the population in the tropical zone is very scanty, and that it is mainly to be found in the high valleys and temperate plateau lands of the Andes. The population is most

(1) This figure includes the population of Panama (the independence of which has since been recognised by Columbia), officially estimated at 400,000. If we deduct this figure the actual population of Columbia would amount to 5,072,613 inhabitants.

rural: Bogotá, the capital, only boasts 121,257 inhabitants; Baraquilla (Puerto Colombia) the great sea-port of the Antilles has a population of only 8,907.

(3) *Products.* — Its mines and its agriculture form the economic backbone of the country. We shall speak at greater length of the agricultural situation; and shall give here only a few brief facts with reference to the other sources of wealth in Columbia.

The ancient Eldorado is rich in all varieties of metals. Rich gold mines exist in nearly all its departments. M. Démangeon says that when we consider that only the thousandth part of these mines is now worked, that the methods employed are primitive, and that nevertheless Columbia comes fourth in the list of the gold producing countries of the world, the wealth of the land will be readily admitted.

Silver is even more plentiful than gold in all parts of the country. Important deposits of platinum have been recently found in the Chocó region, near the Atlantic coast.

In 1912 the output of these precious metals amounted to:

Gold	\$ (1)	6,639,913
Silver	"	123,254
Platinum	"	594,188

There are also important beds of iron, copper, lead etc., which are mostly unworked owing to lack of capital and labour. Coal and mineral oils, hitherto unexploited, and to be found almost all over the country, may constitute in the near future one of the most important factors in the economic development of the country.

As is well known, Columbia and Russia are the only countries which produce emeralds on a commercial scale. Until 1875 the Columbian Government worked the emerald mines; it still has control of the most important. In the absence of statistics we cannot give figures, but we can, nevertheless, safely say that Columbia is on the way towards possessing a monopoly of natural emeralds. The sub-soil of the country also contains other precious stones, the trade in which may become an important source of wealth.

One of the chief products of the country is salt which yields an important revenue to the State, which itself works the more important salt mines.

Manufacturing industries are still in their infancy, and only partially suffice to satisfy local demands.

(4) *Trade.* — Columbian trade is steadily growing. The following figures give an idea of the development of foreign trade.

(1) By the act of June 12th., 1907 the monetary unit is the peso (dollar) gold (\$), equivalent to 5 francs.

	Imports	Exports
1870	\$ 5,749,018	\$ 8,247,817
1880	» 12,121,480	» 15,836,943
1895	» 11,523,222	» 15,088,316
1905	» 12,281,720	» 12,314,916
1907	» 12,088,563	» 13,791,442
1908	» 13,513,891	» 14,913,304
1910	» 18,385,039	» 17,786,806
1911	» 18,108,863	» 22,375,899

The chief articles exported in 1912 were coffee (16,777,908 pesos), birds and skins (2,661,721 pesos), bananas (1,996,999 pesos) and rubber (736,477 pesos).

Columbia imported more especially food-stuffs (flour, rice) and textiles.

(5) *Means of Communication.* — It is well-known that economic development demands plentiful means of communication. One of the main obstacles in the way of the development of Columbia on the scale which her natural resources demand has undoubtedly been the totally inadequate means of communication and transport available in the country. Spite of its large area, Columbia has barely 1,000 kms. of railroads, equivalent to 1 km. of railroad for every 1,500 sq. km. of area. Moreover, only 6 of the 14 lines of the Columbian railway system are of normal gauge, the others being narrow gauge lines, which puts a further difficulty in the way of transportation. And the roads are not more satisfactory than the railroads.

Recently, public bodies, realising the importance to Columbia of the new sea-route through the Panama Canal, have worked out a complex plan which aims at reorganising the sea-ports and improving the inland communications. This plan is now being carried out.

(6) *Finances.* — In 1913 the public expenditure amounted to 14,060,294 pesos, and the revenue to 14,070,652 pesos.

The consolidated debt amounted at the same date to 5,476,888 silver pesos, and the floating debt to 2,756,545 gold pesos.

§ 2. AGRICULTURAL PRODUCTION.

As we have already said, fertility of soil and variety of climate have endowed Columbia with extraordinary agricultural possibilities, and crops of all descriptions can be raised on her soil. We shall now review some of the leading products.

(1) *The Three Climatic Zones and their Products.* — The tropical zone has an exuberant vegetation. It is characterised by great forests of mahogany, oak, and other trees, and by all plants which require heat and humidity, such as the cocoa tree, the sugar-cane, rubber, tobacco, etc.

The temperate zone forms an intermediate territory in which grow plants characteristic both of the tropical and the cold zones: yet certain products are proper to it such as coffee, quinine, maguey, and others.

The cold zone produces the same crops as Central Europe: cereals, guminous plants, forage crops, vegetables. It is also rich in timber.

(2) *Principal Products. The Cocoa-tree.* — The cocoa-tree grows wild in many districts, more especially in the north on the slopes of the lower parts of the Sierra of Santa Marta. It is cultivated almost throughout the tropical zone, especially along the sea coast and in the valleys of the Magdalena and its tributaries. The cultivation of the cocoa-tree has also been introduced in the great eastern plain in the territories of the Arauco and the Meta.

Columbian cocoa is generally of excellent quality, and is consumed on a large scale in the Republic. In 1909, 620,936,610 kgs. of this product were exported for 246,190 pesos.

Bananas. — For some years past banana plantations have been developed on a large scale, especially in the region of Santa Marta. It would seem that a powerful American company is trying to monopolise the output of the whole district, supplying credit to those land-owners who do not possess the capital required for working their land. This company buys up in advance the entire output of the banana plantations at a price varying between 1 franc 75 and 1 franc 25 per régime. This great company has, moreover, monopolised the trade so that it is almost impossible for the planters to do business except through it; a state of affairs which is not without its drawbacks.

In 1912, 11,000 hectares were planted out to bananas, 3,000 of which belonged to the aforesaid company. The ground suitable to such plantations amounts, however, to 50,000 hectares. Over 5,000 men work in these plantations, and bananas are one of the principal exports of Columbia, as is shown by the figures we have given above for her foreign trade. The facts we have set forth explain how it is that nearly the whole of the banana crop is shipped to the United States. Some attempts have been made of recent years to introduce Columbian bananas on the European market, but so far the results have been meagre.

Rubber. — Rubber plants are found almost throughout the tropical zone, more especially in the valley of the Magdalena, on the Andes, and in the territory of Vaupes near the Brazilian frontier. The more valuable varieties such as the *Hevea* and the *Castilloa* are found there. Unfortunately, in Columbia as in Africa, in almost all the districts where rubber grows, the native *caucheros* ruthlessly exploit the plantations which they inherit. Severe measures have been taken for the protection of these plantations, and these, together with the formation of new plantations, will undoubtedly reconstitute this important source of wealth.

The rubber exports in 1908 only amounted to 324,031 gold pesos, but in 1912 they had risen to 636,427, pointing to a notable increase in production.

Sugar cane. — This crop is raised more especially in the valley of the Cauca, though it could be cultivated profitably throughout the low lying districts of Columbia more especially along the sea coast. The fertility of the soil and the abundance of water-courses mark out Columbia as destined to hold a foremost place in the ranks of sugar-producing countries.

Tobacco. — Tobacco is raised in the tropical zone; in some districts notably in the valley of the Magdalena, the leaf is of excellent quality and can rival the Cuban tobacco. A large portion of the cigarettes sold in Europe as Havanas come from Ambalema, the centre of the tobacco-growing district on the upper Magdalena.

Coffee. — Coffee is one of the main products of Columbia. It grows in the temperate and in the tropical zone, more especially in the valleys of the Cauca and the Magdalena, and on the slopes of the Sierra Nevada de Santa Marta. The quality of Columbian coffee is generally excellent and therefore finds a ready market. Coffee plantations are already one of the chief branches of agriculture in the country and are gaining in importance from year to year. This is evidenced by the fact that in 1912, without taking into consideration the home consumption which is very large, 16,777,000 gold pesos of coffee were exported, or more than half the value of the total exports of the Republic.

Cereals. — Wheat, barley, and maize grow on the table-lands of the cold zone; but this form of farming is little developed, and the consumption purely local. The same may be said of the fruit and vegetable crops. With a view to introducing new varieties and encouraging this branch of farming the Government enacted in 1909 that seeds and plants imported by travellers landing in the country should be entered duty free up to the weight of 5 kgs.

Stock-breeding. — This industry already occupies a place of some importance in the national economy of Columbia, and is likely to gain ground from day to day thanks to the scientific selection of breeding stock and the more thorough utilisation of natural meadow lands. There is a considerable area of land suited to stock-breeding situated along the valleys of the great rivers, the slopes of the table-lands, and the vast south-eastern plain.

At present stock-breeding flourishes more especially in the valleys of the Magdalena, and of the Cauca, and on the extensive slopes of Bogotá, Ubaté, Chiquinquira and Somagoso, where as a result of careful breeding with animals of the Durham and Dutch breeds a strain has been obtained possessing excellent powers of resistance, suited both for fattening and for dairy purposes.

Horse-breeding is carried on side by side with that of cattle; sheep and goats are raised on the central and western Cordilleras.

Beyond these districts lies a region where stock-breeding forms the basis for economic development: this region is the vast savanna of Meta. On these 16 million hectares of territory there are about 5 million head of live-stock; but competent authorities believe that by developing the cultivation of grass-land and by irrigation over 30 million head of cattle could

raised in this region. The meat of the animals bred here is of excellent quality.

At present practically no live-stock is exported from Columbia; although the north-western region, situated at the foot of the Sierra Nevada de Santa Marta, sends a certain number of animals each year to Cuba and Panama, where they are slaughtered. Undoubtedly when a better system of irrigation has improved the pasture lands of Columbia, and when means of communication for the transportation of live-stock and frozen meat are provided, the export trade in these products will become of great importance for the country. The export of hides and skins in 1912 exceeded in value 661,721 gold pesos.

(4) *Forests.* — As we have already said a great variety of valuable timber grows in the forests of Columbia. In those of the tropical zone there is a plentiful supply of timber for building purposes, as also of the most valued hard-woods such as cedar, guaiacum, oak, ebony, etc. In the temperate zone agaves and tree-ferns prevail, also rubbers, the Peruvian bark-tree, and many varieties of palms and other species. In the cold zone grow European trees, such as the walnut, the pine, and so forth.

Forest industries are undeveloped in Columbia owing to the difficulty of transportation; but they could easily become one of the leading factors in the economic development of the country. This has been realised by the Government which, by a decree of August 13th., 1908, regulated the exploitation of the forests belonging to the State. This decree enacted that the forests containing valuable species such as the *tagua*, the Peruvian bark-tree, rubber plants and other kinds of timber which can be easily exported and on which the Government has a right of reservation shall be considered as belonging to the State."

As a rule the Government stipulates contracts with private parties for the exploitation of its forests. No concession may be made for more than 20 years, and the maximum area is 3,000 hectares. One person or company may however, obtain several such concessions, provided they are separated by forests covering at least a like area.

The concessions are made exclusively for the exploitation of specified trees. A contractor for the exploitation of a certain kind of timber cannot touch other species unless he obtains a further permit.

Concession valid for one year and renewable for another year may also be granted for the working of lots of 500 hectares in extent.

Trees may only be felled when they are fully grown, and it is expressly forbidden to fell young trees or to cut shoots which could be used for reproduction. It is also forbidden to peel off the bark of unfelled trees.

A bill recently introduced by the Minister of Public Works provides that plantations of rubber, *tagua*, Peruvian bark, and other valuable trees suited for exportation, or producing resin, oils, and other exports, shall be considered as national forests not subject to sale by auction as land given in free grant. This bill provides that the area of forests let to a single person or company may not exceed 5,000 hectares; that the maximum duration of

the lease may not exceed 30 years; and that the annual rent shall be equivalent to 7 % of the total yield of the concession.

§ 3. THE LABOUR SUPPLY AND COLONISATION.

The above shows that only a small portion of the wealth of Columbia is at present put to productive use, although this country is one of the most favoured by nature.

The general causes for this state of affairs are many and complex. In the first place we may mention defective and primitive methods of work both in the domain of industry and of agriculture. But as far as agriculture is concerned, backward development is due, in the first place, to lack of labour.

As we have seen, the density of the population is very low (4 inhabitants per square kilometre) whilst internal political troubles have stood in the way of directing towards Columbia the currents of emigration which have done so much to develop the natural resources of other South American countries. Of course the labour supply being inadequate to meet the demand, wages are very high, and both labour and private capital prefer to seek employment in industries which yield more immediate results than agriculture.

This state of affairs, which has hindered and still hinders so greatly the economic development of the country, has been a source of grave anxiety to the Government which has not failed whenever possible to take steps to counteract as far as possible the effects of this lack of hands, even though unable completely to solve the difficult problem.

The measures taken may be classified in three groups: (1) the encouragement of immigration; (2) free allotment of uncultivated lands (*baldoíos*); (3) the evangelisation and education of the savage tribes.

Encouragement of Immigration. — The Colombian parliament has constantly busied itself with the important question of immigration. Several laws passed in 1871, 1872 and 1873, seem to aim more at increasing the population of the country than at developing its resources. For instance, art. 6 of the law of 1871 authorised the executive authority to grant to immigrants as much as 25 hectares of land per individual. Law 65 of 1887 granted certain exemptions to foreigners, whether farmers or artisans; law 117 of 1890 still in force, aims chiefly at increasing the labour supply. It authorises the executive power to introduce into the country by all means which it may deem suitable, labourers for the coffee and sugar plantations and for the other farming and mining industries. With this end in view, the Government can negotiate with employers for the purpose of recruiting the requisite labour, and it is its duty to see that the conditions of the contract are strictly observed. One third of the expenses incurred in connection with such immigration schemes are reimbursed to the Government by the employer.

To make these measures more effective the same law established a Commission presided over by the Minister of Agriculture, and consisting

four farmers, two appointed by the Government and two others by the employers requiring workmen. An annual grant of 150,000 pesos has been aside for carrying out these measures.

Besides these immigration laws, Columbia has passed others to facilitate foreigners settling in the country. Foreigners are placed on the same footing as native-born citizens for the acquisition of all descriptions of real and personal estate. Here we shall only refer to the measures touching land which can be obtained as free grants "by farmers who have carried out improvements or who have cultivated crops on the land which they wish to acquire." This mode of acquiring possession would seem preferable to foreigners to that which consists in making a claim as an immigrant; besides other drawbacks inherent in this system, the immigrant is not allowed to select the land granted him. At the start he is subjected to certain restrictions, and he may find it impossible to enlarge his holding if it be bounded by other grants. Moreover, the immigrant is subject to certain special regulations, whereas the mode of acquiring possession which we shall now explain leaves the owner entirely free and ensures to him the greatest advantages.

Free Grants of Uncultivated Land. — To promote agricultural development in the early days, lots amounting to 10 fanegas of land (1) and more were granted to every *granadino* who settled on uncultivated soil.

Laws enacted in 1874 and 1882 provided that anyone who would undertake the cultivation of untilled soil should acquire property rights in the same. Consequently, Colombian or foreign farmers who do not declare themselves immigrants, can avail themselves of a very practical means of acquiring free possession of uncultivated land. They need only take possession of the same and cultivate them, and then claim them as a free grant.

M. Simon Araujo recently introduced a bill specifying the conditions in which such free grants will be made. This bill provides for the establishment of villages and centres of colonisation. The following are the main features of the proposal.

Free grants of from 2 to 50 hectares of uncultivated land may be made to farmers occupying the same on the following conditions:

- (1) The lot must be occupied by at least three persons under 70 years of age;
- (2) One third at least of the lot must be cultivated during the first year of occupation;
- (3) During the first three years a house must be built by the occupants.

The settler who has cultivated one third of his allotment will receive from the Government a milch cow of which he will become the owner at the end of two years if he has continued to cultivate the land during this period.

The proposal goes on to deal with *collective settlement* by groups of at least 25 families. In such cases the Government may grant as much as

(1) a fanega = 64.6 acres.

50,000 hectares of uncultivated land on certain conditions. The settler must undertake to begin working the land not later than one year after the grant has been made; they must provide healthy housing accommodation for their labourers, along with adequate board, and medical attendance in case of sickness or serious accident. Children under 12 years of age may only be employed on domestic work; the hours of work must not exceed 8 for women and 9 for men. The settlement must place at least one settler on each 5 hectares of land, furnishing him with certain supplies and with a milch cow.

The proposal also provides for the establishment of a scientific commission to study the conditions of economic development in the districts of Chocó, Darien, Ariguari, and Cararé. As a measure of propaganda, wide publicity is to be given to the report of this commission both at home and abroad.

Apart from this proposal many schemes have been suggested for colonising the country, one of them providing for the settlement of groups of from 5 to 10 families who should form the nucleus for a more extensive group consisting of from 50 to 100 households. Schemes have also been advocated for settlement by companies possessing adequate capital to bring under cultivation large areas of land. Such companies would be required to undertake the construction of roads, which would enrich the national resources.

Evangelisation and Education of Savage Tribes.—By the side of and as a complement to these schemes for colonisation, Columbia has to face the problem of civilising the savage tribes inhabiting the Republic. Besides being scanty, the population in certain districts consists of native tribes still in a primitive condition, who, instead of being of assistance are an obstacle in the way of the general development. This state of affairs exists more especially in the territory of Meta. Meta proper occupies the northern section of the vast eastern plains, the southern part of which includes the almost unexplored territories of Putumayo, Caqueta, and Vaupes.

The census of 1912 returns the population of this region at 3,559 civilised inhabitants, and estimates at 50,000 the number of Indians in a state of savagery.

The administrative district of Meta, bounded to the south by the Guayavero and to the east by the Orinoco, is subdivided into three provinces, Villavicencio, San Martín, and Oromé.

When we bear in mind that the climate of this region, generally hot and damp, with sudden changes of temperature, is unfavourable to the development of white colonisation, and that certain rebel tribes also stand in the way of settling the country, the importance of civilising the Indian as a step towards the economic development of this section will be readily understood. The Indians may be divided into two classes: one includes all the tribes which go under the name of Caribs, who are savages in the fullest sense of the word. To these tribes, the fiercest of which are the Cuica, belong the Gualibos, who have begun to come into contact with the white. The second class includes all those tribes which have acquired some degree

civilisation; they are descended, as a rule, from the aboriginal inhabitants of this region who even before the Spanish conquest possessed a relatively advanced civilisation, and who were dispersed by the conquerors, that is to say, first by the Caribs, and then by the whites. These Indians, more timid and resigned than ill intentioned, could rapidly rise to a certain degree of civilisation if they were treated with humanity and kindness, more especially if they were adequately protected against the methods of unscrupulous whites. To civilise the other tribes will be a task demanding much time, patience and self sacrifice.

The method now followed consists in sending out missionaries and in opening schools. When the Caroni missions were founded under the Spanish domination, their head was invested with a large measure of authority. The missionary was both administrator and judge, and was invested with special powers for settling disputes which might arise among the natives. The results obtained exceeded all the expectations and hopes of the founders, and in a relatively short period of some twenty years, 29 native villages made act of submission to the head of the mission. Unfortunately, the wars of independence destroyed this work and led to the dispersion of the subject tribes.

The present Government has decided to adopt the system of missions to which it grants full administrative authority. "The national archdiocesan committee of the work of the missions in Columbia", with headquarters at Bogotá, has the duty of co-ordinating the work of these missions. Besides the large private donations which they receive, the Government, in accordance with the law of September 18th., 1912, made the Committee an annual grant of 100,000 gold pesos from January 1st., 1913.

It is the duty of the missionaries to evangelise and educate the native tribes. The educational work of the missions is divided into 6 sections corresponding with the territories in which they operate: Goajira and the Sierra Nevada, Casanare, San Martín, Caqueta and Putumayo, Tierradentro and Chocó.

The following figures showing the number of schools and pupils in these scholastic districts are taken from the report presented to Congress in 1912 by the Minister of Public Instruction:

	Number of Schools	Number of Pupils
Goajira and Sierra Nevada	15	565
Casanare	11	604
San Martín	23	395
Caqueta	25	1,171
Tierradentro	16	788
Chocó	16	1,084
Total	106	4,617

Spite of the efforts and sacrifices made, it would seem that these missions have not secured the results hoped for. According to the bishop of Dibona this is largely due to the conduct of the civilised people themselves who not infrequently ill-treat the Indians in the most brutal fashion; in fact, it is most urgent to appoint a guardian for the Indians to whom they may appeal for protection against the excesses to which they are exposed. The necessary protective measures are now being studied. One of the more recent projects is for the establishment of centres of colonisation people by married soldiers to whom grants of land and cattle would be made. These settlers could build roads and prepare the ground for the settlement of the native tribes and for white immigrants. Each settlement would be provided with a school under the direction of a missionary, who would have under him lay teachers who could instruct the natives in certain trades. The school would also be provided with a doctor and an inspector, entrusted with supervision over dealings with Indians and the employment of workmen, so as to protect them against deception and abuses.

* * *

The brief review we have here given clearly shows that the vital problem for the economic development of Columbia is that of providing an adequate supply of labour, and this in the domain of agriculture covers the question of colonisation.

In view of its scanty population the authorities of Columbia can only solve the question of agricultural colonisation by having recourse both to immigration and to the training and education of the native tribes still in a state of primitive savagery. Although internal troubles until recently prevented the Government from pursuing a systematic and uninterrupted policy in these matters, the efforts which have been made and the proposals now being studied are such as to justify the hope that before long Columbia will attain that degree of economic development to which its unrivalled natural resources entitle it, and which depends exclusively on their wise utilisation.

RUGGERI ALFREDO, gerente responsabile.

